

SUBCHAPTER A. SCOPE AND DEFINITIONS.

§13.1. Applicability, Severability, and Retroactivity ~~[Scope]~~.

(a) This chapter applies to the design, ~~[and]~~ installation and operation of compressed natural gas (CNG) compression and dispensing systems, the design and installation of CNG engine fuel systems on vehicles of all types and their associated fueling facilities; and the construction and operation of equipment for the ~~[CNG systems used for compression,]~~ storage, handling, and ~~[sale,]~~ transportation~~;~~ delivery, or distribution of CNG ~~[for any purpose; and all CNG mobile fuel systems]~~.

(b) If any term, clause, or provision of these rules is for any reason declared invalid, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

(c) Nothing in these rules shall be construed as requiring, allowing, or approving the unlicensed practice of engineering or any other professional occupation requiring licensure.

(d) Unless otherwise stated, the rules in this chapter are not retroactive. Any installation of a CNG system shall meet the requirements of this chapter at the time of installation.

(e) ~~[(b)]~~ This chapter shall not apply to:

(1) the production, transportation, storage, sale, or distribution of natural gas that is subject to Commission jurisdiction under Subtitle A or B, Title 3, Texas Utilities Code;

(2) pipelines, fixtures, equipment, or facilities to the extent that they are subject to the safety regulations promulgated and enforced by the Railroad Commission of Texas pursuant to Natural Resources Code, Chapter 117, or Subchapter E, Chapter 121, Texas Utilities Code; or

(3) the design and installation of any CNG system in ships, barges, sailboats, or other types of watercraft. Such installation is subject to the American Board and Yacht Council (ABYC) and any other applicable standards.

(f) ~~[(c)]~~ This ~~[Subchapters A, B, C, D, E, and F of this]~~ chapter shall not apply to vehicles and fuel supply containers that:

(1) are manufactured or installed by original equipment manufacturers;

(2) comply with Title 49, Code of Federal Regulations, the Federal Motor Vehicle Safety Standards; and

(3) comply with the National Fire Protection Association (NFPA) Code 52, ~~[Compressed Natural Gas (CNG)]~~ Vehicular Gaseous Fuel Systems Code .

(g) ~~[(d)]~~ Vehicles and fuel supply containers excluded from the requirements of subchapters A through F of this chapter pursuant to subsection (f) ~~[(c)]~~ of this section shall comply with the requirements of §13.24 of this title, relating to Filings Required for School Bus, Mass Transit, and Special Transit Installations.

§13.2. Retroactivity. **REPEAL**

§13.3. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) AFS ~~[AED]~~--The Commission's Alternative Fuels Safety department within the Commission's Oversight and Safety ~~[Energy]~~ Division.

~~[(2) AFRED--The organizational unit of the AED that administers the Commission's alternative fuels research and education program, including CNG certification, exempt registration, and training.]~~

(2) ~~[(3)]~~ ANSI--American National Standards Institute.

(3) ~~[(4)]~~ ASME--American Society of Mechanical Engineers.

(4) ~~[(5)]~~ ASME Code--ASME Boiler and Pressure Vessel Code.

(5) ~~[(6)]~~ ASTM--ASTM International (formerly American Society for Testing and Materials).

(6) ~~[(7)]~~ Automatic dispenser--A CNG dispenser which is operated by a member of the general public and which requires transaction authorization.

(7) ~~[(8)]~~ Building--A structure with walls and a roof resulting in the structure being totally enclosed.

(8) ~~[(9)]~~ Cascade storage system--Storage in multiple cylinders.

(9) Certificate holder - An individual:

(A) who has passed the required management-level or employee-level examination pursuant to §13.70 of this title (relating to Examination Requirements and Renewal) and paid applicable fees; or

(B) who holds a current examination exemption pursuant to §13.70 of this title.

(10) Certified--An individual who is authorized by the Commission to perform the CNG activities covered by the certification issued under §13.70, relating to Examination Requirements and Renewals.

(11) ~~[(10)]~~ CNG--See "Compressed natural gas" in this section.

(12) ~~[(11)]~~ CNG cargo tank--A container which complies with ASME or DOT specifications used to transport CNG for delivery.

(13) ~~[(12)]~~ CNG cylinder--A cylinder or other container designed for use or used as part of a CNG system.

(14) ~~[(13)]~~ CNG system--A system of safety devices, cylinders, piping, fittings, valves, compressors, regulators, gauges, relief devices, vents, installation fixtures, and other CNG equipment intended for use or used in any building or public place by the general public ~~[commercial installation]~~, or used in conjunction with a motor vehicle or mobile fuel system fueled by CNG, and ~~[or]~~ any system or facilities designed to be used or used in the compression, sale, storage, transportation for delivery, or distribution of CNG in portable CNG cylinders, but does not include ~~[not including]~~ natural gas facilities,

1 equipment, or pipelines located upstream of the inlet of a compressor devoted entirely to CNG.

2 (15) [(14)] Commercial installation--Any CNG installation located on premises other
3 than a single family dwelling used as a residence, or a private agricultural installation, including but not
4 limited to a retail business establishment, school, convalescent home, hospital, retail CNG cylinder
5 filling/exchange operation, service station, forklift refueling facility, or private motor/mobile fuel cylinder
6 filling operation.

7 (16) [(15)] Commission--The Railroad Commission of Texas.

8 (17) [(16)] Company representative--The individual designated to the Commission by a
9 license applicant or a licensee as the principal individual in authority and actively supervising the conduct
10 of the licensee's CNG activities [~~An owner or employee of a licensee designated by that licensee to take~~
11 ~~any required examinations and to actively supervise CNG operations of the licensee~~].

12 (18) [(17)] Compressed natural gas--Natural gas primarily [~~which is a mixture of~~
13 ~~hydrocarbon gases and vapors~~] consisting [~~principally~~] of methane (CH₄) in gaseous state [~~form~~] that is
14 compressed and used, stored, sold, transported, or distributed for use by or through a CNG system.

15 (19) [(18)] Container--A pressure vessel cylinder or cylinders permanently manifolded
16 together used to store CNG.

17 (20) [(19)] Cylinder service valve--A hand-wheel operated valve connected directly to a
18 CNG cylinder.

19 (21) [(20)] Director--The director of the AFS [~~AED~~] or the director's delegate.

20 (22) [(21)] Dispensing [~~area or dispensing~~] installation--A CNG installation that
21 dispenses CNG from any source by any means into fuel supply cylinders installed on vehicles or into
22 portable cylinders.

23 (23) [(22)] DOT--The United States Department of Transportation.

24 (24) [(23)] Flexible metal hose--Metal hose made from continuous tubing that is
25 corrugated for flexibility and, if used for pressurized applications, has an external wire braid.

26 (25) [(24)] Fuel supply cylinder--A cylinder mounted upon a vehicle for storage of CNG
27 as fuel supply to an internal combustion engine.

28 (26) [(25)] Interim approval order--The authority issued by the Railroad Commission of
29 Texas following a public hearing allowing construction of a CNG installation.

30 (27) Licensed--Authorized by the Commission to perform CNG activities through the
31 issuance of a valid license.

32 (28) Licensee--A person which has applied for and been granted a CNG license by the
33 Commission.

34 [(26) Location--A site operated by a CNG licensee at which the licensee carries on an
35 essential element of its CNG activities, but where the activities of the site alone do not qualify the site as
36 an outlet.]

37 [(27) LP-Gas Operations--The organizational unit of the AED that administers the CNG

1 ~~safety program, including licensing, truck registration, installation approvals, complaint and accident~~
2 ~~investigations, inspections of stationary installations and vehicles, and code enforcement.]~~

3 ~~[(28) Manifold--The assembly of piping and fittings used to connect cylinders.]~~

4 (29) Mass transit vehicle--Any vehicle which is owned or operated by a political
5 subdivision of a state, city, or county and primarily used in the conveyance of the general public.

6 (30) Metallic hose--Hose in which the strength of the hose depends primarily on the
7 strength of metallic parts, including liners or covers.

8 (31) Mobile fuel container--A CNG container mounted on a vehicle to store CNG as the
9 fuel supply to an auxiliary engine [for uses] other than the engine to propel the vehicle, or for other uses
10 on the vehicle [motor fuel].

11 (32) Mobile fuel system--A CNG system which supplies natural gas fuel to an auxiliary
12 engine other than the engine used to propel the vehicle or for other uses on the vehicle.

13 (33) Motor fuel container--A CNG container mounted on a vehicle to store CNG as the
14 fuel supply to an engine used to propel the vehicle.

15 (34) Motor fuel system--A CNG system ~~[excluding the container which supplies CNG]~~ to
16 supply natural gas as a fuel for an engine used to propel the vehicle.

17 (35) Motor vehicle--A self-propelled vehicle licensed for highway use or used on a public
18 highway.

19 (36) Operations supervisor--The individual who is certified by the Commission to
20 actively supervise a licensee's CNG activities and is authorized by the licensee to implement operational
21 changes.

22 (37) [(36)] Outlet--A site operated by a CNG licensee from which any regulated CNG
23 activity is performed [at which the business conducted materially duplicates the operations for which the
24 licensee is initially granted a license].

25 (38) [(37)] Person--An individual, [sole proprietor,] partnership, firm, joint venture,
26 association, corporation, or any other business entity, a state agency or institution, county, municipality,
27 school district, or other governmental subdivision, or licensee.

28 (39) [(38)] Point of transfer--The point where the fueling connection is made.

29 ~~[(39) Pressure-filled--A method of transferring CNG into cylinders by using pressure~~
30 ~~differential.]~~

31 (40) Pressure relief valve--A device designed to prevent rupture of a normally charged
32 cylinder.

33 (41) Public transportation vehicle--A vehicle for hire to transport persons, including but
34 not limited to taxis, buses (excluding school buses, mass transit, or special transit vehicles), or airport
35 courtesy cars.

36 (42) Pullaway--The accidental separation of a hose from a cylinder, container, transfer
37 equipment, or dispensing equipment, which could occur on a cylinder, container, transfer equipment, or

1 dispensing equipment whether or not they are protected by a pullaway device.

2 (43) Registrant--A person who holds a master or journeyman plumber license from the
3 Texas State Board of Plumbing Examiners or a Class A or B Air Conditioning and Refrigeration
4 Contractors License from the Texas Department of Licensing and Regulation and has properly registered
5 with the Commission.

6 ~~[(43) Representative--The individual designated by an applicant or licensee as the~~
7 ~~principal individual in authority who is responsible for actively supervising the licensee's CNG activities.]~~

8 (44) Residential fueling facility--An assembly and its associated equipment and piping at
9 a residence used for the compression and delivery of natural gas into vehicles.

10 (45) Rules examination--The Commission's written examination that measures an
11 examinee's working knowledge of Texas Natural Resources Code, Chapter 116, and the rules in this
12 chapter.

13 (46) [(45)] School--A public or private institution which has been accredited through the
14 Texas Education Agency or the Texas Private School Accreditation Commission.

15 (47) [(46)] School bus--A vehicle that is sold or used for purposes that include carrying
16 students to and from school or related events.

17 ~~[(47) Settled pressure--The pressure in a container at 70 degrees Fahrenheit, which~~
18 ~~cannot exceed the marked service or design pressure of the cylinder.]~~

19 (48) Special transit vehicle--A vehicle designed with limited passenger capacity which is
20 used by a school or mass transit authority for special transit purposes, such as transport of mobility
21 impaired persons.

22 (49) Trainee--An individual who has not yet taken and passed an employee-level rules
23 examination.

24 (50) Transfer system--All piping, fittings, valves, pumps, compressors, meters, hoses,
25 bulkheads, and equipment utilized in dispensing CNG between containers.

26 (51) [(49)] Transport--Any vehicle or combination of vehicles and CNG cylinders
27 designed or adapted for use or used principally as a means of moving or delivering CNG from one place
28 to another, including but not limited to any truck, trailer, semitrailer, cargo tank, or other vehicle used in
29 the distribution of CNG.

30 (52) [(50)] Ultimate consumer--The person controlling CNG immediately prior to its
31 ignition.

32
33 §13.4. CNG Forms.

34 Forms required to be filed with AFS shall be those prescribed by the Commission. A complete set
35 of all required forms shall be posted on the Commission's web site. Notice of any new or amended forms
36 shall be issued by the Commission. A person may file the prescribed form on paper or use any electronic
37 filing process. Any form filed with the Commission shall be completed in its entirety. The Commission

1 may at its discretion accept an earlier version of a prescribed form, provided that it contains all required
2 information. [Under the provisions of the Texas Natural Resources Code, Chapter 116, the Railroad
3 Commission of Texas has designated the following forms for use:]
4 [Figure: 16 TAC §13.4]

5
6 §13.5. Records.

7 (a) Records. Each CNG licensee or registrant shall retain:

8 (1) records of system tests for at least five years, including tests required by NFPA 52
9 6.12 and 7.10, and NFPA 55 7.6.6.

10 (2) a copy of all documentation submitted for an exception to a CNG rule pursuant to
11 §13.35 of this title (relating to Application for an Exception to a Safety Rule), including the AFS
12 director's memorandum granting the exception, for as long as the exception is in use; and

13 (3) a copy of all customer records for at least five years.

14 (b) Periodic inspection. AFS shall formulate a plan or program for periodic evaluation or
15 inspection of records and facilities owned, operated, or serviced by CNG licensees or registrants for the
16 purpose of verifying compliance with this chapter.

17 (c) Scope of inspection. During normal business hours, an authorized representative of the
18 Commission may, at any reasonable time, inspect the files, records, reports, documents, equipment,
19 transports, and facilities of a CNG licensee for the purpose of verifying compliance with this chapter.

20 (d) Licensee and registrant obligations.

21 (1) A registrant, officer, employee, or representative of a CNG licensee shall cooperate
22 with the Commission and its authorized representatives in the administration and enforcement of the
23 provisions in this chapter, in the determination of compliance with the provisions of this chapter, and in
24 the investigation of violations, complaints alleging violations, and accidents or incidents involving CNG.

25 (2) A registrant, officer, employee, or representative of a CNG licensee shall make
26 readily available all files, records, reports, documents and information, and shall make readily accessible
27 all company equipment, property, and facilities as the Commission or its authorized representative may
28 reasonably require in the administration and enforcement of this chapter, and in the investigation of
29 violations, complaints alleging violations, and accidents or incidents involving CNG.

30 (3) Upon request by an authorized representative of the Commission, a CNG licensee's
31 officer, employee, or representative, or a registrant shall provide copies of records, files, reports,
32 documents, and information for administration and enforcement of this chapter.

33
34 §13.15. Penalty Guidelines and Enforcement [for CNG Safety Violations].

35 (a) Penalty guidelines for CNG safety violations.

36 (1) [†] Policy. Improved safety and environmental protection are the desired outcomes
37 of any enforcement action. Encouraging licensees and certificate holders to take appropriate voluntary

1 corrective and future protective actions once a violation has occurred is an effective component of the
2 enforcement process. Deterrence of violations through penalty assessments is also a necessary and
3 effective component of the enforcement process. A rule-based enforcement penalty guideline to evaluate
4 and rank CNG-related violations is consistent with the central goal of the Commission's enforcement
5 efforts to promote compliance. Penalty guidelines set forth in this section will provide a framework for
6 more uniform and equitable assessment of penalties throughout the state, while also enhancing the
7 integrity of the Commission's enforcement program.

8 (2) ~~[(b)]~~ Guidelines ~~[Only guidelines]~~. This section complies with the requirements of
9 Texas Natural Resources Code, §81.0531. The penalty amounts contained in the tables in this section are
10 provided solely as guidelines to be considered by the Commission in determining the amount of
11 administrative penalties for violations ~~[of provisions]~~ of Texas Natural Resources Code, ~~[Title 3,]~~ Chapter
12 116~~[-relating to compressed natural gas]~~; of rules, orders, licenses, permits, or certifications ~~[certificates]~~
13 relating to CNG safety adopted under those provisions; and of regulations, codes, or standards that the
14 Commission has adopted by reference.

15 (3) ~~[(c)]~~ Commission authority. The establishment of these penalty guidelines shall in no
16 way limit the Commission's authority and discretion to assess administrative penalties. The typical
17 minimum penalties listed in this section are for the most common violations cited; however, this is neither
18 an exclusive nor an exhaustive list of violations that the Commission may cite. The Commission retains
19 full authority and discretion to cite violations of Texas Natural Resources Code, ~~[Title 3,]~~ Chapter 116~~[-~~
20 ~~relating to compressed natural gas]~~; of rules, orders, licenses, permits, or certifications ~~[certificates]~~
21 relating to CNG safety adopted or issued under those provisions; and of regulations, codes, or standards
22 that the Commission has adopted by reference, and to assess administrative penalties in any amount up to
23 the statutory maximum when warranted by the facts in any case, regardless of inclusion in or omission
24 from this section.

25 (4) ~~[(d)]~~ Factors considered. The amount of any penalty requested, recommended, or
26 finally assessed in an enforcement action will be determined on an individual case-by-case basis for each
27 violation, taking into consideration the following factors:

28 (A) ~~[(1)]~~ the person's history of previous violations;

29 (B) ~~[(2)]~~ the seriousness of the previous violations;

30 (C) ~~[(3)]~~ any hazard to the health or safety of the public; and

31 (D) ~~[(4)]~~ the demonstrated good faith of the person charged.

32 (5) ~~[(e)]~~ Typical penalties. Regardless of the method by which the typical penalty
33 amount is calculated, the total penalty amount will be within the statutory limit ~~[maximum]~~. Typical
34 penalties for violations ~~[of provisions]~~ of Texas Natural Resources Code, ~~[Title 3,]~~ Chapter 116~~[-relating~~
35 ~~to compressed natural gas]~~; of rules, orders, licenses, permits, or certifications ~~[certificates]~~ relating to
36 CNG safety adopted under those provisions; and of regulations, codes, or standards that the Commission
37 has adopted by reference, are set forth in Table 1.

1 Figure: 16 TAC §13.15(a)(5)

2 (6) [(f)] Penalty enhancements for certain violations. For violations that involve
3 threatened or actual safety hazards, or that result from the reckless or intentional conduct of the person
4 charged, the Commission may assess an enhancement of the typical penalty. The enhancement may be in
5 any amount in the range shown for each type of violation, as shown in Table 2.

6 Figure: 16 TAC §13.15(a)(6)

7 (7) [(g)] Penalty enhancements for certain violators. For violations in which the person
8 charged has a history of prior violations within seven years of the current enforcement action, the
9 Commission may assess an enhancement based on either the number of prior violations or the total
10 amount of previous administrative penalties, but not both. The actual amount of any penalty enhancement
11 will be determined on an individual case-by-case basis for each violation. The guidelines in Tables 3 and
12 4 are intended to be used separately. Either guideline may be used where applicable, but not both.

13 Figure 1: 16 TAC §13.15(a)(7)

14 Figure 2: 16 TAC §13.15(a)(7)

15 (8) [(h)] Penalty reduction for settlement before hearing. The recommended monetary
16 penalty for a violation may be reduced by up to 50% if the person charged agrees to a settlement before
17 the Commission conducts an administrative hearing to prosecute a violation. Once the hearing is
18 convened, the opportunity for the person charged to reduce the basic monetary penalty is no longer
19 available. The reduction applies to the basic penalty amount requested and not to any requested
20 enhancements.

21 (9) [(i)] Demonstrated good faith. In determining the total amount of any monetary
22 penalty requested, recommended, or finally assessed in an enforcement action, the Commission may
23 consider, on an individual case-by-case basis for each violation, the demonstrated good faith of the person
24 charged. Demonstrated good faith includes, but is not limited to, actions taken by the person charged
25 before the filing of an enforcement action to remedy, in whole or in part, a violation or to mitigate the
26 consequences of a violation.

27 (10) [(j)] Other sanctions. Depending upon the nature of and the consequences resulting
28 from a violation of the rules in this chapter, the Commission may impose a non-monetary penalty, such as
29 requiring attendance at a safety training course, or may issue a warning.

30 (11) [(k)] Penalty calculation worksheet. The penalty calculation worksheet shown in
31 Table 5 lists the typical penalty amounts for certain violations; the circumstances justifying enhancements
32 of a penalty and the amount of the enhancement; and the circumstances justifying a reduction in a penalty
33 and the amount of the reduction.

34 Figure: 16 TAC §13.15(a)(11)

35 (b) Violations.

36 (1) Except as provided by subsections (4) and (5) of this section, the Commission may
37 not approve an application for an initial or renewal license or registration for an exemption under this

1 chapter if

2 (A) the applicant or registrant for an exemption has violated a statute or
3 Commission rule, order, license, permit, or certification that relates to safety; or

4 (B) a person who holds a position of ownership or control in the applicant or
5 registrant for an exemption has held a position of ownership or control in another person during the seven
6 years preceding the date on which the application or registration for an exemption is filed and during that
7 period of ownership or control the other person violated a statute or Commission rule, order, license,
8 permit, or certification that relates to safety.

9 (2) An applicant, registrant for an exemption, or other person has committed a violation
10 described by paragraph (1) of this subsection if:

11 (A) a final judgment or final administrative order finding the violation has been
12 entered against the applicant, registrant for an exemption, or other person and all appeals have been
13 exhausted; or

14 (B) the Commission and the applicant, registrant for an exemption, or other
15 person have entered into an agreed order relating to the alleged violation.

16 (3) Regardless of whether the person's name appears or is required to appear on an
17 application or registration for an exemption, a person holds a position of ownership or control in an
18 applicant, registrant for an exemption, or other person if the person is:

19 (A) an officer, director, general partner, sole owner, or trustee of, or the owner of
20 at least 25 percent of the beneficial interest in the applicant, registrant for an exemption, or other person;
21 or

22 (B) the applicant, registrant, or other person and has been determined by a final
23 judgment or final administrative order to have exerted actual control over the applicant, registrant, or
24 other person.

25 (4) The Commission shall approve an application for a license or registration for an
26 exemption under this chapter, if all of the following conditions, if applicable, are met:

27 (A) the conditions that constituted the violation have been corrected or are being
28 corrected in accordance with a schedule to which the Commission and the applicant, registrant for an
29 exemption, or other person have agreed;

30 (B) all administrative, civil, and criminal penalties have been paid or are being
31 paid in accordance with a payment schedule to which the Commission and the applicant, registrant for an
32 exemption, or other person have agreed; and

33 (C) the application or registration for an exemption complies with all other
34 requirements of law and Commission rules.

35 (5) The Commission may issue a license to an applicant described by paragraph (1) of
36 this subsection or approve a registration for an exemption for a registrant for an exemption described by
37 paragraph (1) of this subsection for a term specified by the Commission if the license or registration for

1 an exemption is necessary to remedy a violation of law or Commission rules.

2 (6) If the Commission is prohibited by paragraph (1) of this subsection from approving
3 an application for a license or a registration for an exemption or would be prohibited from doing so by
4 that subsection if the applicant, licensee, or registrant for an exemption submitted an application or
5 registration for an exemption, then the Commission, after notice and opportunity for a hearing, by order
6 may refuse to renew or may revoke a license or registration for an exemption issued to the applicant,
7 licensee, or registrant for an exemption under this chapter.

8 (A) In determining whether to refuse to renew or to revoke a person's license or
9 registration for an exemption under this subsection, the Commission shall consider the person's history of
10 previous violations, the seriousness of previous violations, any hazard to the health or safety of the public,
11 and the demonstrated good faith of the person.

12 (B) If an application or registration for an exemption is denied under this
13 subsection, the Commission shall provide the applicant or registrant for an exemption with a written
14 statement explaining the reason for the denial.

15 (C) An order issued under this subsection must provide the applicant, licensee,
16 or registrant for an exemption a reasonable period to comply with the judgment or order finding the
17 violation before the order takes effect.

18 (D) The Commission's refusal to renew or revocation of a person's license or
19 registration for an exemption under this subsection does not relieve the person of any existing or future
20 duty under law, rules, or license or registration conditions.

21 (E) On refusal to renew or revocation of a person's license or registration for an
22 exemption under this subsection, the person may not perform any activities under the jurisdiction of the
23 Commission under this chapter, except as necessary to remedy a violation of law or Commission rules
24 and as authorized by the Commission under a license or registration for an exemption issued under
25 paragraph (5) of this subsection.

26 (F) A fee tendered in connection with an application or registration for an
27 exemption that is denied under this section is nonrefundable.

28 (G) The Commission may not revoke or refuse to renew a license or registration
29 for an exemption under this subsection if the Commission finds that the applicant, licensee, or registrant
30 for an exemption has fulfilled the conditions set out in paragraph (4) of this subsection.

31 (c) Denial, suspension, or revocation of licenses or certifications.

32 (1) Denial, suspension, or revocation of licenses or certifications. The Commission may
33 deny, suspend, or revoke a license or certification for any individual who fails to comply with the rules in
34 this chapter.

35 (A) If AFS determines that an applicant for license, certification, or renewal has
36 not met the requirements of the rules in this chapter, AFS shall notify the applicant in writing of the
37 reasons for the proposed denial. In the case of an applicant for license or certification, the notice shall

1 advise the person that the application may be resubmitted within 30 calendar days of receipt of the denial
2 with all cited deficiencies corrected, or, if the person disagrees with AFS' determination, that person may
3 request in writing a hearing on the matter within 30 calendar days of receipt of the notice of denial.

4 (B) If the person resubmits the application for license or license renewal within
5 30 calendar days of receipt of the denial with all deficiencies corrected, AFS shall issue the license or
6 license renewal.

7 (2) Hearing regarding denial of license or license renewal.

8 (A) An applicant receiving a notice of denial of a license or license renewal may
9 request a hearing to determine whether the applicant did comply in all respects with the requirements for
10 the category or categories of license sought. The request for hearing shall be in writing, shall refer to the
11 specific requirements the applicant claims were met, and shall be submitted to AFS within 30 calendar
12 days of the applicant's receipt of the notification of denial.

13 (B) Upon receipt of a request complying with this paragraph, AFS shall forward
14 the request for a hearing to the Hearings Division for the purpose of scheduling a hearing.

15 (C) If, after hearing, the Commission finds the applicant's claim has been
16 supported, the Commission may issue an order approving the category or categories of license for which
17 the applicant is entitled to be licensed, and the licenses or renewals shall be issued.

18 (D) If, after hearing, the Commission finds that the applicant does not comply
19 with the requirements of this chapter for the license or license renewal in the category or categories of
20 license sought, the Commission may issue an order denying the licensee's application or renewal.

21 (3) Alleged violations and notice of non-compliance.

22 (A) If AFS finds by means including, but not limited to, inspection, review of
23 required documents submitted, or complaint by a member of the general public or any other person, a
24 probable or actual violation of or noncompliance with the Texas Natural Resources Code, Chapter 116, or
25 the rules in this chapter, AFS shall notify the licensee or certified person of the alleged violation or
26 noncompliance in writing.

27 (B) The notice shall specify the acts, omissions, or conduct constituting the
28 alleged violation or noncompliance and shall designate a date not less than 30 calendar days or more than
29 45 calendar days after the licensee or certified person receives the notice by which the violation or
30 noncompliance shall be corrected or discontinued. If AFS determines the violation or noncompliance may
31 pose imminent peril to the health, safety, or welfare of the general public, AFS may notify the licensee or
32 certified person orally with instruction to immediately cease the violation or noncompliance. When oral
33 notice is given, AFS shall follow it with written notification no later than five business days after the oral
34 notification.

35 (C) The licensee or certified person shall either report the correction or
36 discontinuance of the violation or noncompliance within the time frame specified in the notice or shall
37 request an extension of time in which to comply. The request for extension of the time to comply shall be

received by AFS within the same time frame specified in the notice for correction or discontinuance.

(4) Hearing regarding suspension or revocation of licenses and certifications. If a licensee or certified person disagrees with the determination of AFS under this section, that person may request a public hearing on the matter to be conducted as specified in Chapter 1 of this title (relating to Practice and Procedure). The request shall be in writing, shall refer to the specific rules or statutes the licensee or certified person claims to have complied with, and shall be received by AFS within 30 calendar days of the licensee's or certified person's receipt of the notice of violation or noncompliance. AFS shall forward the request for hearing to the Hearings Division.

§13.16. Reporting Unsafe CNG Activities.

(a) A person may report any unsafe or noncompliant CNG activities to AFS by mail, telephone, electronic mail, or facsimile transmission (fax). When possible, the person shall make the report using CNG Form 1022. If a person makes a report of unsafe or noncompliant CNG activities to AFS without using CNG Form 1022, AFS shall complete the CNG Form 1022. Within five business days of receipt of such report, AFS shall notify the alleged non-compliant party in writing regarding the report and specify the reported non-compliant installation and/or activities.

(b) The Commission may release the person's name in accordance with applicable open records procedures.

(c) A person who reports unsafe CNG activities may be called to testify at a Commission hearing if one is necessary following the initiation of an enforcement action.

§13.17. Sales to Unlicensed Individuals.

A licensee shall not sell CNG or CNG containers to an unlicensed individual for resale. A licensee shall not sell a CNG container to an unlicensed individual for installation at a commercial installation without determining that such container will be installed by a licensee authorized to perform such installation.

SUBCHAPTER B. GENERAL RULES FOR COMPRESSED NATURAL GAS (CNG) EQUIPMENT QUALIFICATIONS.

§13.21. Applicability [~~and Severability~~].

~~[(a)]~~ The provisions of this subchapter apply to pressurized components of a compressed natural gas (CNG) system, and are applicable to both engine fuel systems and compression, storage, and dispensing systems.

~~[(b) If any item, clause, or provision of these rules is for any reason declared invalid, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.]~~

1 ~~[(c) Nothing in these rules shall be construed as requiring, allowing, or approving the unlicensed~~
2 ~~practice of engineering or any other professional occupation requiring licensure.]~~

3
4 §13.22. Odorization.

5 ~~[(a) Compressed natural gas shall have a distinctive odor potent enough for its presence to be~~
6 ~~detected down to a concentration in air of not over one-fifth of the lower limit of flammability.]~~

7 (a) ~~[(b)]~~ In addition to NFPA 52 §5.2.1.1, compressed ~~[Compressed]~~ natural gas shall be
8 odorized according to the provisions of Texas Utilities Code, §§121.251 and 121.252~~[, in effect at the~~
9 ~~time the gas is odorized]~~.

10 (c) Containers that will contain unodorized CNG shall be legibly marked "NON-ODORIZED" or
11 "NOT ODORIZED" on two opposing sides of the container.

12
13 §13.23 Installation and Maintenance.

14 In addition to NFPA 52 §6.13.2, all CNG containers, valves, dispensers, accessories, piping,
15 transfer equipment and gas utilization equipment shall be installed and maintained in safe working order
16 per manufacturer's instructions and the rules in this chapter. If any one of the CNG storage containers,
17 valves, dispensers, accessories, piping, transfer equipment, gas utilization equipment, and appliances is
18 not in safe working order, AFS may require that the installation be immediately removed from CNG
19 service and not be operated until the necessary repairs have been made.

20
21 §13.24. ~~[Filings Required for]~~ School Bus, Public Transportation, Mass Transit, and Special Transit
22 Vehicle Installations and Inspections.

23 (a) After the manufacture of or the conversion to a CNG system on any vehicle to be used in
24 Texas as a school bus, mass transit, public transportation, or special transit vehicle, the manufacturer,
25 licensee, or ultimate consumer making the installation or conversion shall notify AFS ~~[LP-Gas~~
26 ~~Operations]~~ in writing on CNG Form 1503 that the applicable CNG-powered vehicles are ready for a
27 complete inspection to determine compliance with the rules in this chapter.

28 (b) AFS shall conduct the inspection within a reasonable time to ensure the vehicles are operating
29 in compliance with the rules in this chapter.

30 (1) If AFS' [LP-Gas Operations'] initial complete inspection finds the vehicle in
31 compliance with the rules in this chapter and the statutes, the vehicle may be placed into CNG service.
32 For fleet installations of identical design, an initial inspection shall be conducted prior to the operation of
33 the first vehicle, and subsequent vehicles of the same design may be placed into service without prior
34 inspections. [Subsequent inspections shall be conducted within a reasonable time frame to ensure the
35 vehicles are operating in compliance with the rules in this chapter.]

36 (2) If violations exist at the time of the initial complete inspection, the vehicle shall not
37 be placed into CNG service and the manufacturer, licensee, or ultimate consumer making the installation

1 or conversion shall correct the violations. The manufacturer, licensee, or ultimate consumer shall file with
2 AFS ~~[LP-Gas Operations]~~ documentation demonstrating compliance with the rules in this chapter, or AFS
3 ~~[LP-Gas Operations]~~ shall conduct another complete inspection before the vehicle may be placed into
4 CNG service.

5 (3) For public transportation vehicles only, if AFS does not conduct the initial inspection
6 within 30 business days of receipt of CNG Form 1503, the vehicle may be operated in CNG service if it
7 complies with the rules in this chapter.

8 (c) The manufacturer, licensee, or ultimate consumer making the installation or conversion shall
9 be responsible for compliance with the rules in this chapter, statutes, and any other local, state, or federal
10 requirements.

11 (d) If the requested AFS ~~[LP-Gas Operations]~~ inspection identifies violations requiring
12 modifications by the manufacturer, licensee, or ultimate consumer, AFS ~~[LP-Gas Operations]~~ shall
13 consider the assessment of an inspection fee to cover the costs associated with any additional inspection,
14 including mileage and per diem rates set by the legislature.

15
16 §13.25. Filings Required for Stationary CNG Installations.

17 (a) General requirements. In addition to NFPA 52 §7.3.1, and NFPA 55 §4.1, no ~~[No]~~ CNG
18 container or compression equipment shall be placed into CNG service or an installation operated or used
19 in CNG service until the requirements of this section, as applicable, are met and the facility is in
20 compliance with the rules in this chapter and all applicable statutes, in addition to any applicable
21 requirements of the municipality or the county where an installation is or will be located if the
22 municipality or county has complied with Texas Natural Resources Code.

23 (b) Installations with an aggregate ~~[Aggregate]~~ storage capacity ~~[in excess]~~ of 84,500 ~~[240]~~
24 standard cubic feet or more ~~[water volume]~~.

25 (1) For installations with an aggregate storage capacity ~~[in excess]~~ of 84,500 standard
26 [240] cubic feet or more ~~[water volume]~~, the licensee shall submit the following information to AFS ~~[LP-~~
27 ~~Gas Operations]~~ at least 30 days prior to construction:

28 (A) ~~[(+)]~~ CNG Form 1500;

29 (B) a copy of any appropriate permits required by the city and/or county where
30 the proposed installation will be located;

31 ~~[(2) CNG Form 1500A with all applicable documents;]~~

32 ~~[(3) a plat drawing from the appropriate appraisal district identifying the facility's~~
33 ~~property boundaries;]~~

34 (C) ~~[(4)]~~ a site plan of sufficient scale that identifies:

35 (i) ~~[(A)]~~ the location, types, and sizes of all CNG containers and
36 compression and dispensing equipment already on site or proposed to be on site;

37 (ii) ~~[(B)]~~ the distances from the containers, compression equipment,

1 dispensing equipment, and material handling equipment to [the] property lines, buildings on the same
2 property, and any electric transmission lines, and railroads [railroad, pipeline, or roadway rights-of-way,
3 and]. If the area where the container and/or compression equipment will be installed is a leased area or
4 utility easement, the site plan shall indicate the boundaries of the leased area or utility easement,
5 regardless of the size of the property in which the lease or easement lies;

6 (iii) [(C)] any known potential hazards;

7 (iv) location of CNG dispensers and their distance from any proposed
8 container (the nearest container if more than one), property lines, buildings on the same property,
9 roadways, and railroad track centerlines;

10 (v) location of the nearest public street, alley, or way, and its distance to
11 containers and equipment;

12 (vi) location of all sources of ignition within 10 feet of the container and
13 equipment, including their distance to containers and equipment;

14 (vi) location of other types of fuel containers and dispensers and their
15 distance to CNG containers, compressors and dispensers; and

16 (D) printed copies of site plans with a legend must be printed to the correct size
17 for the legend or distance provided.

18 (E) If the facility is accessed by cargo tanks from a public highway under the
19 jurisdiction of the Texas Department of Transportation, a statement or permit from the Texas Department
20 of Transportation showing that the driveway is of proper design and construction to allow safe entry and
21 egress of the CNG cargo tanks.

22 (F) [(5)] a nonrefundable fee of \$100 [\$50] for the initial application. A
23 nonrefundable fee of \$50 [\$30] shall be required for any resubmission.

24 (2) Prior to the installation of any individual CNG container, AFS shall determine
25 whether the proposed installation constitutes a danger to the public health, safety, and welfare. The
26 applicant shall provide additional information if requested by AFS.

27 (A) AFS may impose restrictions or conditions on the proposed CNG installation
28 based on one or more of the following factors:

29 (i) nature and density of the population or occupancy of structures
30 within 500 feet of the proposed or existing container locations;

31 (ii) nature of use of property located within 500 feet of the CNG
32 installation;

33 (iii) type of activities on the installation's premises;

34 (iv) potential sources of ignition that might affect a CNG leak;

35 (v) existence of dangerous or combustible materials in the area that
36 might be affected by an emergency situation;

37 (vi) any known potential hazards or other factors material to the public

1 health, safety, and welfare.

2 (B) The Commission does not consider public health, safety, and welfare to
3 include such factors as the value of property adjacent to the installation, the esthetics of the proposed
4 installation, or similar considerations.

5 (3) [(c)] AFS [LP-Gas Operations] shall notify the applicant in writing outlining its
6 findings.

7 (4) If the application is administratively denied:

8 (A) AFS shall specify the deficiencies in the written notice required in paragraph
9 (3) of this subsection.

10 (B) Within 30 calendar days of the date of the written notice, the applicant shall
11 [may] modify the submission and resubmit it for approval or [may] request a hearing on the matter [in
12 accordance with the general rules of practice and procedure of the Railroad Commission of Texas in
13 Chapter 1 of this title (relating to Practice and Procedure)]. If the applicant does not respond by the
14 deadline, the application will be withdrawn.

15 (C) The applicant may request an extension of the 30-day time period. The
16 request shall be in writing and delivered before the expiration date in subparagraph (B) of this paragraph,
17 and shall state the reason for the extension and the date the response will be submitted. AFS may extend
18 the response period for up to 90 days.

19 (D) Interim approval order for stationary CNG installations. If the Commission
20 finds after a public hearing that the proposed installation complies with the rules in this chapter and the
21 statutes of the State of Texas, and does not constitute a danger to the public health, safety, and welfare,
22 the Commission shall issue an interim approval order. The construction of the installation and the setting
23 of the container shall not proceed until the applicant has received written notification of the interim
24 approval order. Any interim approval order shall include a provision that such approval may be
25 suspended or revoked if:

26 (i) the applicant has introduced CNG into the system prior to final
27 approval;

28 (ii) a physical inspection of the installation indicates that it is not
29 installed in compliance with the submitted plat drawing for the installation, the rules in this chapter, or the
30 statutes of the State of Texas; or

31 (iii) the installation constitutes a danger to the public health, safety, and
32 welfare.

33 (5) The licensee shall not commence construction until notice of approval is received
34 from AFS.

35 (A) If the subject installation is not completed within one year from the date
36 AFS has granted construction approval the application will expire.

37 (B) Prior to the date of expiration, the applicant may request in writing an

1 extension of time of up to 90 days to complete the installation.

2 (C) If the applicant fails to request an extension of time within the time period
3 prescribed in this paragraph, the applicant shall submit a new application before the installation can be
4 completed.

5 (6) The applicant shall submit to AFS written notice of completed construction and the
6 Commission shall complete the field inspection as specified in subsection (e) of this section. After the
7 Commission has completed the inspection, the operator, pending the inspection findings, may commence
8 CNG activities at the facility.

9 (7) A licensee shall not be required to submit CNG Form 1500 or a site plan prior to the
10 installation of dispensers, equipment, piping, or when maintenance and improvements are being made at
11 an existing CNG installation.

12 (8) AFS may request CNG Form 1008, a Manufacturer's Data Report, or any other
13 documentation or information pertinent to the installation in order to determine compliance with the rules
14 in this chapter.

15 (9) For installations that are a licensee outlet the operating licensee shall submit a CNG
16 Form 1001A and the required \$10 processing fee within 30 days of installation, in accordance with
17 §13.61(k) of this title (relating to Application for License and License Renewal Requirements).

18 ~~[(d) If the Railroad Commission finds after a public hearing that the proposed installation~~
19 ~~complies with the rules in this chapter and the statutes of the State of Texas, and does not constitute a~~
20 ~~danger to the public health, safety, and welfare, the Railroad Commission shall issue an interim approval~~
21 ~~order. The construction of the installation and the setting of the container shall not proceed until the~~
22 ~~applicant has received written notification of the interim approval order. Any interim approval order shall~~
23 ~~include a provision that such approval may be suspended or revoked if:]~~

24 ~~[(1) the applicant has introduced CNG into the system prior to final approval; or]~~

25 ~~[(2) a physical inspection of the installation indicates that it is not installed in]~~
26 ~~compliance with the submitted plat drawing for the installation, the rules in this chapter, or the statutes of~~
27 ~~the State of Texas; or]~~

28 ~~[(3) the installation constitutes a danger to the public health, safety, and welfare:]~~

29 ~~[(e) If a CNG stationary installation, equipment, or appurtenances not specifically covered by the~~
30 ~~rules in this chapter has been or will be installed, LP-Gas Operations shall apply and require any~~
31 ~~reasonable safety provisions to ensure the CNG installation is safe for CNG service. If the affected entity~~
32 ~~disagrees with LP-Gas Operations' determination, the entity may request a hearing. The installation shall~~
33 ~~not be placed in CNG operation until LP-Gas Operations has determined the installation is safe for CNG~~
34 ~~service.]~~

35 (c) [(f)] Commercial installations with an aggregate [Aggregate] storage capacity of less than
36 84,500 [240] standard cubic feet and compression equipment without storage [water volume].

37 (1) Within 30 [10] calendar days following the completion of a commercial container

1 and/or compression equipment installation, the licensee shall submit CNG Form 1501 to AFS [~~LP-Gas~~
2 ~~Operations~~] stating:

3 (A) the installation fully complies with the statutes and the rules in this chapter;

4 (B) all necessary Commission [~~CNG~~] licenses, certifications, and permits [~~and~~
5 ~~certificates~~] have been issued; [~~and~~]

6 (C) the date the installation has been placed into [~~in~~] CNG service; and

7 (D) the installation has received any required city and/or county permits.

8 (2) The licensee shall pay [~~Pay~~] a nonrefundable fee of \$15 [~~\$10~~] for each [~~ASME~~]
9 container, cascade and compressor [~~or DOT cylinder cascade~~] listed on the form. [~~A nonrefundable fee of~~
10 ~~\$20 shall be required for any resubmission.~~]

11 (A) AFS shall review the submitted information and shall notify the applicant in
12 writing of any deficiencies.

13 (B) A nonrefundable fee of \$50 shall be required for any resubmission.

14 (C) The licensee shall respond with the required information within 30 calendar
15 days or the installation may be removed from service.

16 (3) CNG activities may commence prior to the submission of CNG Form 1501 if the
17 facility is in compliance with the rules in this chapter.

18 [~~(g) Notice of complete or incomplete form. AFS [LP-Gas Operations] shall review all~~
19 ~~applications within 21 business days of receipt of all required information and shall notify the applicant in~~
20 ~~writing of any deficiencies.~~]

21 [~~(h) Expiration of application; extension.~~]

22 [~~(1) When LP-Gas Operations notifies an applicant of an incomplete CNG Form 1500,~~
23 ~~the applicant has 120 calendar days from the date of the notification letter to resubmit the corrected~~
24 ~~application or the application will expire. After 120 days, a new application shall be filed should the~~
25 ~~applicant wish to reactivate LP-Gas Operations review of the proposed installation.]~~

26 [~~(2) If the applicant requests an extension of the 120-day time period in writing,~~
27 ~~postmarked or physically delivered to LP-Gas Operations before the expiration date, the application may~~
28 ~~be renewed for up to 90 days as determined by LP-Gas Operations.]~~

29 [~~(3) If the subject installation is not completed within one year from the date of LP-Gas~~
30 ~~Operations'] completed review, the applicant shall resubmit the application for LP-Gas Operations'~~
31 ~~review.]~~

32 (f) [(~~h~~)] Physical inspection of stationary installations.

33 (1) Aggregate storage capacity [~~in excess~~] of 84,500 [~~240~~] standard cubic feet or more
34 [~~water volume~~]. The applicant shall notify AFS in writing [~~LP-Gas Operations~~] when the installation is
35 ready for inspection.

36 (A) If any non-compliance items are cited at the time of AFS' initial inspection,
37 the installation may not be placed into CNG service until the non-compliance items are corrected, as

1 determined at the time of inspection, depending on the nature of the non-compliance items cited.

2 (B) If AFS [LP-Gas Operations] does not physically inspect the facility within
3 30 calendar days of receipt of notice that the facility is ready for inspection, ~~[the applicant may operate]~~
4 the facility may operate conditionally until the initial ~~[complete]~~ inspection is completed ~~[made]~~. ~~[If any~~
5 ~~safety rule violations exist at the time of the initial inspection, the applicant may be required to cease~~
6 ~~CNG operation until the applicant corrects the violations.]~~

7 (2) Aggregate storage capacity of less than 84,500 ~~[240]~~ standard cubic feet and
8 compression equipment without storage ~~[water volume]~~. After receipt of CNG Form 1501, AFS ~~[LP-Gas~~
9 ~~Operations]~~ shall conduct an inspection as soon as possible to verify the installation described complies
10 with the rules in this chapter. The ~~[applicant may operate the]~~ facility may be operated prior to inspection
11 if it is in compliance ~~[the facility fully complies]~~ with the rules in this chapter. If ~~[any CNG statute or~~
12 ~~safety rule violations exist at the time of]~~ the initial inspection at a commercial installation results in the
13 citation of non-compliance items, AFS may require that ~~[LP-Gas Operations may immediately remove]~~
14 the subject container, including any piping, appliances, appurtenances, or equipment connected to it be
15 removed from CNG service until the non-compliant items are corrected ~~[applicant corrects the violations].~~

16 (3) ~~[(j)]~~ Material variances. If AFS ~~[LP-Gas Operations]~~ determines the completed
17 installation varies materially from the application originally accepted, ~~[the applicant shall correct the~~
18 ~~variance and notify LP-Gas Operations of the]~~ correction of the variance and notification to AFS or
19 resubmit the application is required. AFS' ~~[LP-Gas Operations']~~ review of such resubmitted application
20 shall comply with subsection (b)(2) of ~~[the procedure described in]~~ this section.

21 (4) ~~[(k)]~~ In the event an applicant has requested an inspection and AFS' ~~[LP-Gas~~
22 ~~Operations']~~ inspection identifies non-compliance items ~~[violations]~~ requiring modifications by the
23 applicant, AFS ~~[LP-Gas Operations]~~ may assess an inspection fee to cover the costs associated with any
24 additional inspection, including mileage and per diem rates set by the legislature.

25 ~~[(l) Appurtenances and equipment:]~~

26 ~~[(1) All appurtenances and equipment placed into CNG service shall be certified, marked,~~
27 ~~or listed by a nationally recognized laboratory such as Underwriters Laboratory (UL), Factory Mutual~~
28 ~~(FM), CSA International, or such other laboratories approved by AFS [LP-Gas Operations] unless:]~~

29 ~~[(A) it is specifically prohibited for use by another section of this chapter; or]~~

30 ~~[(B) there is no test specification or procedure developed by the testing~~
31 ~~laboratory for the appurtenance or equipment.]~~

32 ~~[(2) Appurtenances and equipment that cannot be listed but are not prohibited for use by~~
33 ~~the rules in this chapter shall be acceptable for CNG service provided the appurtenances and equipment~~
34 ~~are installed in compliance with the applicable rules in this chapter.]~~

35 ~~[(3) The licensee or operator of the appurtenances or equipment shall maintain~~
36 ~~documentation sufficient to substantiate any claims made regarding the safety of any valves, fittings, and~~
37 ~~equipment and shall, upon request, furnish copies to LP-Gas Operations.]~~

1 ~~[(4) Compliance under this section does not ensure conformity with other state and~~
2 ~~federal regulations, such as those of the Texas Commission on Environmental Quality or its successor~~
3 ~~agencies.]~~
4

5 §13.26. Design and Construction of Cylinders, Pressure Vessels, and Vapor Recovery Receivers.

6 **REPEAL**

7 §13.27. Pressure Relief Devices. **REPEAL**

8 §13.28. Pressure Gauges. **REPEAL**

9 §13.29. Pressure Regulators. **REPEAL**

10 §13.30. Piping. **REPEAL**

11 §13.31. Valves. **REPEAL**

12 §13.32. Hose and Hose Connections. **REPEAL**

13 §13.33. Compression Equipment. **REPEAL**
14

15 §13.34. Vehicle Fueling Connection.

16 ~~[(a) A vehicle fueling connection shall provide for the reliable and secure connection of the fuel~~
17 ~~system cylinders to a source of compressed natural gas (CNG).]~~

18 ~~[(b) The fueling connection shall be suitable for the pressure expected under normal conditions~~
19 ~~and corrosive conditions which might be encountered.]~~

20 ~~[(c) The fueling connection shall prevent escape of gas when the connector is not properly~~
21 ~~engaged or becomes separated.]~~

22 ~~[(d)]~~ In addition to NFPA 52 §6.9.3, the ~~[The]~~ refueling connection on an engine fuel system
23 shall be firmly supported, and shall:

24 (1) receive the fueling connector and accommodate the service pressure of the vehicle
25 fuel system;

26 (2) incorporate a means to prevent the entry of dust, water, and other foreign material. If
27 the means used is capable of sealing system pressure, it shall be capable of being depressurized before
28 removal; and

29 (3) have a different fueling connection for each pressure base vehicle fuel system.

30 ~~[(e) Any vehicle that will be fueled by an automatic dispenser shall be equipped with a fueling~~
31 ~~connection that complies with ANSI/AGA NGV1, Requirements for Natural Gas Vehicles (NGV)~~
32 ~~Refueling Connection Devices, Requirement 1-90.]~~
33

34 §13.35. Application for an Exception to a Safety Rule.

35 (a) A person may apply for an exception to the provisions of this chapter by filing CNG Form
36 1025 along with supporting documentation and a \$100 ~~[\$50]~~ filing fee with AFS ~~[LP-Gas Operations]~~.

37 (b) The application shall contain the following:

1 (1) the section number of any ~~[applicable]~~ rules for which an exception is being
2 requested;

3 (2) the type of relief desired, including the exception requested and any information
4 which may assist AFS ~~[LP-Gas Operations]~~ in comprehending the requested exception;

5 (3) a concise statement of facts which supports the applicant's request for the exception,
6 such as the reason for the exception, the safety aspects of the exception, and the social and/or economic
7 impact of the exception;

8 (4) for all stationary installations, regardless of size, a description of the acreage and/or
9 address upon which the subject of the exception will be located. The description shall be in writing and
10 shall include:

11 (A) a site drawing;

12 (B) sufficient identification of the site so that determination of property
13 boundaries may be made;

14 (C) a plat from the applicable appraisal district indicating the ownership of the
15 land; ~~[and]~~

16 (D) the legal authority under which the applicant, if not the owner, is permitted
17 occupancy; and

18 (E) a copy of any applicable permits required by the city and/or county where
19 the installation is or will be located; and

20 (5) the name, business address, and telephone number of the applicant and of the
21 authorized agent, if any[;]

22 ~~[(6) an original signature, in ink, by the party filing the application or by the authorized~~
23 ~~representative;]~~

24 ~~[(7) a list of the names and addresses of all interested entities as defined in subsection (c)~~
25 ~~of this section].~~

26 ~~[(c) Notice of the application for an exception to a safety rule.]~~

27 ~~[(1) The applicant shall send a copy of CNG Form 1025 by certified mail, return receipt~~
28 ~~requested, to all affected entities as specified in paragraphs (2), (3), and (4) of this subsection on the same~~
29 ~~date on which the form is filed with or sent to LP-Gas Operations. The applicant shall include a notice to~~
30 ~~the affected entities that any objection shall be filed with LP-Gas Operations within 18 calendar days of~~
31 ~~the date of postmark. The applicant shall file all return receipts with LP-Gas Operations as proof of~~
32 ~~notice.]~~

33 ~~[(2) If an exception is requested on a stationary site, the affected entities to whom the~~
34 ~~applicant shall give notice shall include but not be limited to:]~~

35 ~~[(A) persons and businesses owning or occupying property adjacent to the site;]~~

36 ~~[(B) the city council or fire marshal, if the site is within municipal limits; and]~~

37 ~~[(C) the county Commission, if the site is not within any municipal limits.]~~

1 ~~[(3) If an exception is requested on a nonstationary site, affected entities to whom the~~
2 ~~applicant shall give notice include but are not limited to:]~~

3 ~~[(A) the Texas Department of Public Safety, and]~~

4 ~~[(B) all CNG loading and unloading facilities utilized by the applicant.]~~

5 ~~[(4) LP-Gas Operations may require an applicant to give notice to persons in addition to~~
6 ~~those listed in paragraphs (2) and (3) of this subsection if doing so will not prejudice the rights of any~~
7 ~~entity.]~~

8 ~~[(d) Objections to the requested exception shall be in writing, filed with LP-Gas Operations~~
9 ~~within 18 calendar days of the postmark of the application, and shall be based on facts that tend to~~
10 ~~demonstrate that, as proposed, the exception would have an adverse effect on public health, safety, or~~
11 ~~welfare. LP-Gas Operations may decline to consider objections based solely on claims of diminished~~
12 ~~property or esthetic values in the area.]~~

13 ~~(c) [(e)] AFS [LP-Gas Operations] shall review the application within 21 business days of~~
14 ~~receipt of the application. [If LP-Gas Operations does not receive any objections from any affected~~
15 ~~entities as defined in subsection (c) of this section, the LP-Gas Operations]~~

16 ~~(1) The AFS director may administratively grant the exception if the AFS [LP-Gas~~
17 ~~Operations] director determines that the installation, as proposed, does not adversely affect the health or~~
18 ~~safety of the public. AFS [LP-Gas Operations] shall notify the applicant in writing by the end of the~~
19 ~~21-day review period and, if approved, the installation shall be installed within one year from the date of~~
20 ~~approval. [LP-Gas Operations shall also advise the applicant at the end of the objection period as to~~
21 ~~whether any objections were received and whether the applicant may proceed:]~~

22 ~~(2) If the AFS [LP-Gas Operations] director denies the exception, AFS [LP-Gas~~
23 ~~Operations] shall notify the applicant in writing, outlining the reasons and any specific deficiencies.~~

24 ~~(3) The applicant may modify the application to correct the deficiencies and resubmit the~~
25 ~~application along with a \$50 [\$30] resubmission fee, or may request a hearing on the matter.~~

26 ~~(A) To be granted a hearing, the applicant shall file a written request for hearing~~
27 ~~within 14 calendar days of receiving notice of the administrative denial.~~

28 ~~(B) [(f) A hearing shall be held when LP-Gas Operations receives an objection~~
29 ~~as set out in subsection (d) of this section from any affected entity, or when the applicant requests one~~
30 ~~following an administrative denial.] AFS [LP-Gas Operations] shall forward the request for hearing to~~
31 ~~the Hearings Division [mail the notice of hearing to the applicant and all objecting entities by certified~~
32 ~~mail, return receipt requested, at least 21 calendar days prior to the date of the hearing. Hearings will be~~
33 ~~held in accordance with the Texas Government Code, Chapter 2001, et seq., Chapter 1 of this title~~
34 ~~(relating to Practice and Procedure), and this chapter].~~

35 ~~(d) [(g)] Applicants intentionally submitting incorrect or misleading information are subject to~~
36 ~~penalties in the Texas Natural Resources Code, §116.142, and the filing of incorrect or misleading~~
37 ~~information shall be grounds for dismissing the application with prejudice.~~

1 (e) [(ft)] After hearing, exceptions to this chapter may be granted by the Commission if the
2 Commission finds that granting the exception for the installation, as proposed, will not adversely affect
3 the safety of the public.

4 ~~[(i) Temporary exception. For good cause shown, LP-Gas Operations may grant a temporary~~
5 ~~exception, which shall not exceed 30 days, to the examination requirements for representatives and~~
6 ~~operations supervisors. Good cause shall include the death of a sole proprietor or partner. An applicant for~~
7 ~~a temporary exception shall comply with all applicable safety requirements and LP-Gas Operations shall~~
8 ~~obtain information showing that the exception will not be hazardous to the public.]~~

9 (f) [(j)] A request for an exception shall expire if it is inactive for three months ~~[90-calendar~~
10 ~~days]~~ after the date of the letter in which the applicant was notified by AFS ~~[LP-Gas Operations]~~ of an
11 incomplete request. Additional time may be granted upon request if needed to generate engineering
12 results or calculations. The applicant may restart the application process ~~[resubmit an exception request].~~

13
14 §13.36. Report of CNG Incident/Accident.

15 (a) At the earliest practical moment or within two hours following discovery, a licensee owning,
16 operating, or servicing equipment or an installation shall notify AFS by telephone of any event involving
17 CNG which:

- 18 (1) caused a death or personal injury requiring hospitalization;
19 (2) required taking an operating facility out of service;
20 (3) resulted in unintentional gas ignition requiring emergency response;
21 (4) involved the CNG installation on any vehicle propelled by or transporting CNG;
22 (5) caused an estimated damage to the property of the operator, others or both totaling
23 \$50,000 or more, including gas loss;

24 (6) involves ~~[In case of an incident involving]~~ single release of CNG ~~[compressed~~
25 ~~natural gas (CNG)]~~ during or following CNG transfer or during container transportation ~~[, or an accident~~
26 ~~at any location where CNG is the cause or is suspected to be the cause, the licensee owning, operating, or~~
27 ~~servicing the equipment or the installation shall notify LP-Gas Operations by telephone within two hours~~
28 ~~of discovery after the licensee has knowledge of the incident or accident].~~ Any loss of CNG which is less
29 than 1.0% of the gross amount delivered, stored, or withdrawn need not be reported. However, any loss
30 occurring as a result of a pullaway shall be reported; ~~[- Any individual reporting shall leave his or her~~
31 ~~name, and telephone number where he or she can be reached for further information]~~

32 (7) could reasonably be judged as significant because of rerouting of traffic, evacuation
33 of buildings, or media interest, even though it does not meet paragraphs (1) - (6) of this subsection; or

34 (8) is required to be reported to any other state or federal agency (such as the Texas
35 Department of Public Safety or the United States Department of Transportation).

36 (b) The telephonic notice ~~[telephone notification]~~ required by this section shall be made to the
37 Railroad Commission's 24-hour emergency line at (512) 463-6788 or 844-773-0305 and shall include the

following ~~information~~:

- (1) date and time of the incident ~~[or accident]~~;
- ~~[(2) type of structure or equipment involved];~~
- (2) ~~[resident's or operator's]~~ name of reporting operator;
- (3) phone number of operator;
- (4) ~~[physical]~~ location of leak or incident;
- (5) personal ~~[number of]~~ injuries and/or fatalities;
- (6) whether fire, explosion, or gas leak has occurred;
- (7) status of ~~[whether]~~ gas leak or other immediate hazards ~~[is leaking]~~; ~~[and]~~
- (8) other significant facts relevant to the incident; and
- (9) ~~[(8)]~~ whether immediate assistance from AFS ~~[LP-Gas Operations]~~ is requested.

~~[(c) Any transport unit required to be registered with LP-Gas Operations in accordance with §13.69 of this title (relating to Registration and Transfer of CNG Transports and CNG Form 1004 Decal or Letter of Authority) which is involved in an accident where there is damage to the tank, piping or appurtenances, or any release of CNG resulting from an accident shall be reported to LP-Gas Operations in accordance with this section regardless of the accident location. Any CNG powered motor vehicle used for school transportation or mass transit including any state owned vehicle which is involved in an accident resulting in a substantial release of CNG or damage to the CNG conversion equipment shall be reported to LP-Gas Operations in accordance with this section regardless of accident location.]~~

~~(c) [(d)]~~ Following the initial telephone report, the licensee who made the telephonic report shall submit [a] CNG Form 1020 to AFS ~~[-Report of CNG Incident/Accident, shall be submitted to LP-Gas Operations]~~. The report shall be postmarked within 14 calendar days of the date of initial notification to AFS, or within five business days of receipt of the fire department report, whichever occurs first, unless AFS grants authorization for a longer period of time when additional investigation or information is necessary ~~[LP-Gas Operations]~~.

(d) Within five business days of receipt, AFS shall review CNG Form 1020 and notify in writing the person submitting CNG Form 1020 if the report is incomplete and specify in detail what information is lacking or needed. Incomplete reports may delay the resumption of CNG activities at the involved location.

§13.37. Appurtenances and Equipment.

(a) In addition to NFPA 52 §5.3.1, all appurtenances and equipment placed into CNG service shall be certified, marked, or listed by a nationally recognized laboratory such as Underwriters Laboratory (UL), Factory Mutual (FM), CSA International, or such other laboratories approved by AFS unless:

- (1) it is specifically prohibited for use by another section of this chapter; or
- (2) there is no test specification or procedure developed by the testing laboratory for the appurtenance or equipment.

1 (b) In addition to NFPA 52 §1.4.1, appurtenances and equipment that cannot be listed but are not
2 prohibited for use by the rules in this chapter shall be acceptable for CNG service provided the
3 appurtenances and equipment are installed in compliance with the applicable rules in this chapter.

4 (c) In addition to NFPA 52 §1.4.1.2, the licensee or operator of the appurtenances or equipment
5 shall maintain documentation sufficient to substantiate any claims made regarding the safety of any
6 valves, fittings, and equipment and shall, upon request, furnish copies to AFS.

7 (d) Compliance under this section does not ensure conformity with other state and federal
8 regulations, such as those of the Texas Commission on Environmental Quality or its successor agencies.

9 (e) Components of CNG stationary installations which are not specifically covered by the rules
10 in this chapter shall not be placed into service until AFS has determined the installation complies with the
11 rules in this chapter. AFS may require any change to a proposed stationary installation which the
12 Commission may consider necessary to ensure the CNG installation is safe for CNG service. If the
13 affected party disagrees with AFS' determination, the party may request a hearing as described in §13.15
14 of this title (relating to Enforcement). However, the installation shall not be placed into CNG operation
15 until the Commission has determined the installation complies with the rules of this chapter.

16
17 §13.38. Removal from CNG Service.

18 (a) If AFS ~~[LP-Gas Operations]~~ determines that any CNG ~~[compressed natural gas (CNG)]~~
19 cylinder or installation constitutes an immediate danger to the public health, safety, and welfare, AFS
20 ~~[LP-Gas Operations]~~ shall require the immediate removal of all ~~[the]~~ CNG and/or the immediate
21 disconnection by a properly licensed company to the extent necessary to eliminate the danger. This may
22 include ~~[If LP-Gas Operations determines that any CNG appliance,]~~ equipment~~[-]~~ or any part of the
23 system including the service container. A warning tag shall be attached by AFS until the unsafe condition
24 is remedied. Once the unsafe condition is remedied, the tag may be removed by an AFS inspector or by
25 the licensee is authorized by AFS ~~[constitutes an immediate danger to the public health, safety, and~~
26 welfare, LP-Gas Operations shall require the immediate disconnection by a properly licensed company of
27 such appliance, equipment, or system from the CNG cylinder it services].

28 (b) If the affected entity disagrees with the removal from service and/or placement of a warning
29 tag~~[-, or with LP-Gas Operations' findings in subsection (a) of this section]~~, the entity may request a
30 review of AFS' decision within 10 calendar days ~~[an investigation into the matter]~~. Within 10 business
31 days, AFS ~~[LP-Gas Operations]~~ shall notify such entity of its finding in writing, stating the deficiencies.
32 If the entity disagrees, the entity may request or AFS ~~[LP-Gas Operations]~~ on its own motion may request
33 ~~[call]~~ a hearing. Such installation shall be brought into compliance or removed from service until such
34 time as the final decision is rendered by the Commission.

35
36 §13.39. Filling Unapproved Containers Prohibited.

37 (a) A ~~[No]~~ licensee or the licensee's employees shall not introduce CNG ~~[compressed natural gas]~~

1 ~~(CNG)] into any container if the licensee or employee [he] has knowledge or reason to believe [notice]~~
2 ~~that such [CNG] container, cylinder, piping, or system is unsafe or is [was] not installed in accordance~~
3 ~~with Texas Natural Resources Code, Chapter 116, or [the statutes of the State of Texas, and with] the~~
4 ~~rules in this chapter [and regulations in effect at the time of installation. Exception: This section does not~~
5 ~~apply to motor fuel or mobile fuel containers and systems installed on vehicles licensed in states other~~
6 ~~than Texas].~~

7
8 §13.40. Manufacturer's Nameplates and Markings on ASME Containers .

9 (a) Compressed natural gas (CNG) shall not be introduced into any American Society of
10 Mechanical Engineers (ASME) container which is not equipped with a manufacturer's original or
11 replacement nameplate ~~[or a manufacturer's replacement nameplate]~~ permanently attached to the container
12 or has the required information stamped directly on the vessel. ~~[No ASME container manufactured on or~~
13 ~~after November 1, 1994, shall be used in the State of Texas unless it has attached to it a stainless steel~~
14 ~~manufacturer's nameplate. The nameplate shall be attached in a manner that will minimize corrosion of~~
15 ~~the nameplate or its attachments or that will not contribute to the corrosion of the container.]~~

16 (b) No ASME container manufactured on or after November 1, 1994, shall be used in the State of
17 Texas unless it has attached to it a stainless steel manufacturer's nameplate or the required information is
18 visibly stamped directly on the vessel. If a nameplate is attached, it shall be attached in a manner that will
19 minimize corrosion of the nameplate or its attachments or that will not contribute to the corrosion of the
20 container. If the nameplate is attached directly to the container, the nameplate thickness shall be sufficient
21 to resist distortion due to the application of markings and fusion welding.

22 (c) Container nameplates shall be stamped or etched with the following information in legible
23 characters:

24 (1) the mark or symbol approved by ASME indicating compliance with the provisions of
25 the ASME Pressure Vessel Code;

26 (2) the name and address of the manufacturer;

27 (3) the capacity of the container in standard cubic feet;

28 (4) the maximum allowable working pressure of the container in pounds per square inch
29 (psi);

30 ~~[(5) the wording "This container shall not contain a product having a vapor pressure in~~
31 ~~excess of _____ pounds per square inch at a temperature of 100 degrees Fahrenheit];~~

32 ~~(5) [(6)] the thickness of the material used in both the shell and heads;~~

33 ~~(6) [(7)] the overall length of the container, the outside diameter of the container, and~~
34 ~~the dish radius of the heads;~~

35 ~~(7) [(8)] the serial number of the container; and~~

36 ~~(8) [(9)] the date of manufacture.~~

37 (d) Nameplates attached to or markings on ~~[shall be attached to]~~ the container shall ~~[so as to]~~

1 remain visible after installation of the containers.

2 (e) Containers manufactured prior to November 1, 1994, which may have corroded or rusted
3 nameplates shall have the following minimum information readable on the manufacturer's nameplate:

4 (1) name of the container manufacturer;

5 (2) manufacturer's serial number;

6 (3) working pressure; and

7 (4) [water] capacity.
8

9 §13.41. Testing of Containers.

10 (a) In order to determine the safety of a container, AFS may require that the licensee or operator
11 of the container submit a copy of the manufacturer's data report on that container. AFS may also require
12 that the container and assembly be tested by a Category 1 or 4 licensee with a comprehensive report on
13 the findings submitted to AFS for its consideration. This subsection may be applied even though an
14 acceptable CNG Form 1023 has been received.

15 (b) Any stationary CNG container previously in CNG service brought into Texas or which has
16 not been subject to continuous CNG pressure or inert gas pressure shall be inspected by a currently
17 licensed Category 1 or 4 licensee to determine if the container shall be leak-tested or re-certified. A copy
18 of the inspector's written report shall be filed with AFS. The container shall not be used until the
19 appropriate leak test or recertification process determines the container is safe for CNG service.

20 (c) Any stationary CNG container which has been subject to continuous CNG or inert gas
21 pressure may not require testing prior to installation provided the licensee or operator of the container
22 files a completed CNG Form 1023 with AFS at the time CNG Form 1500 is submitted for any facility
23 requiring submission of a site plan in accordance with §13.25 of this title (relating to Filings Required for
24 Stationary CNG Installations).
25
26

27 **SUBCHAPTER C. CLASSIFICATION, REGISTRATION, AND EXAMINATION.**
28

29 §13.61. Licenses, Related Fees, and Licensing Requirements.

30 (a) A prospective licensee may apply to AFS [~~LP-Gas Operations~~] for one or more licenses
31 specified in subsection (b)(1) - (6) of this section. Fees required to be paid shall be those established by
32 the Commission and in effect at the time of licensing or renewal. [~~A person shall not engage in CNG~~
33 ~~activities unless that person has obtained a license as specified in this section. If a license expires or~~
34 ~~lapses, the person shall immediately cease CNG operations.~~]

35 (b) The license categories and fees are as follows.

36 (1) A Category 1 license for manufacturers of CNG cylinders authorizes the manufacture,
37 assembly, repair, testing, sale, installation, or subframing of CNG cylinders. The original license fee is

1 \$1,500 [~~\$1,000~~]; the renewal fee is \$750 [~~\$600~~].

2 (2) A Category 2 license for general installers and repairmen authorizes the sale,
3 installation, service, or repair of CNG systems, including cylinders. The original license fee is \$400
4 [~~\$300~~]; the renewal fee is \$200 [~~\$150~~].

5 (3) A Category 3 license for retail and wholesale dealers authorizes the sale, storage,
6 transportation for delivery, or dispensing of CNG for use other than by an ultimate consumer, and the
7 sale, installation, service, or repair of CNG systems as set out in Categories 2, 5, and 6. The original
8 license fee is \$1,000 [~~\$750~~]; the renewal fee is \$500 [~~\$300~~].

9 (4) A Category 4 license for testing laboratories authorizes the testing of CNG cylinders.
10 The original license fee is \$500 [~~\$400~~]; the renewal fee is \$250 [~~\$200~~].

11 (5) A Category 5 license for service stations or cylinder exchangers authorizes the
12 operation of a CNG service station, including filling CNG cylinders, or the operation of a cylinder
13 exchange dealership, including filling CNG cylinders, the sale of CNG in cylinders, the sale of CNG
14 cylinders, and the replacement of cylinder valves. The original license fee is \$300 [~~\$150~~]; the renewal fee
15 is \$150 [~~\$70~~].

16 (6) A Category 6 license for equipment dealers authorizes the sale of CNG cylinders or
17 systems. The original license fee is \$200 [~~\$100~~]; the renewal fee is \$100 [~~\$50~~].

18 (c) A military service member, military veteran, or military spouse shall be exempt from the
19 original license fee specified in subsection (b) of this section pursuant to the requirements in §13.76 of
20 this title (relating to Military Fee Exemption). An individual who receives a military fee exemption is not
21 exempt from the renewal or transport registration fees specified in subsection (n) of this section and
22 §13.69 of this title (relating to Registration and Transfer of CNG Transports and CNG Form 1004 Decal
23 or Letter of Authority).

24 (d) In addition to NFPA 55 §7.1.12, no person may engage in CNG activities until that person
25 has obtained a license from the Commission authorizing that activity, except as follows:

26 (1) A state agency or institution, county, municipality, school district or other
27 governmental subdivision is exempt from licensing requirements as provided in Texas Natural Resources
28 Code, §116.031(d) if the entity is performing CNG activities on its own behalf, but is required to obtain a
29 license to perform CNG activities for or on behalf of a second party.

30 (2) [(c)] An ultimate consumer is not subject to the licensing requirements of this title in
31 order to perform those CNG activities dealing only with the ultimate consumer; however, a license is
32 required to register a transport or cylinder delivery unit. An ultimate consumer's license does not require
33 a fee or a company representative.

34 (3) [(d)] An original manufacturer of a new motor vehicle powered by CNG or a
35 subcontractor of a manufacturer who produces a new CNG powered motor vehicle for the manufacturer is
36 not subject to the licensing requirements of this chapter, but shall comply with all other rules [regulations
37 for compressed natural gas] in this chapter.

1 (e) A license obtained by an individual, partnership, corporation, or other legal entity shall extend
2 to the entity's employees who are performing CNG activities ~~[work]~~, provided that each employee is
3 properly certified as required by this chapter.

4 (f) Licensees, company representatives, and operations supervisors at each outlet shall have
5 copies of all current licenses and certification cards for employees at that location available for inspection
6 during regular business hours. In addition, licensees shall maintain a current version of the rules in this
7 chapter and any adopted codes covering CNG activities performed by the licensee, and shall provide at
8 least one copy of all publications to each company representative and operations supervisor. The copies
9 shall be available to employees during business hours. ~~[Licensees shall maintain a copy of the current~~
10 ~~Regulations for Compressed Natural Gas and shall provide at least one copy to each company~~
11 ~~representative and operations supervisor. The copies shall be available to employees during business~~
12 ~~hours.]~~

13 ~~[(g) Licensees shall have copies of all current licenses and examination identification cards for~~
14 ~~employees at each location available for inspection during regular business hours.]~~

15 ~~(g)~~ ~~[(h)]~~ Licenses issued under this chapter expire one year after issuance at midnight on the last
16 day of the month previous to the month in which they are issued.

17 ~~(h)~~ If a license expires, the person shall immediately cease CNG activities.

18 ~~[(i) For license renewals, LP-Gas Operations shall notify the licensee in writing at the address on~~
19 ~~file with LP-Gas Operations of the impending license expiration at least 30 calendar days before the date~~
20 ~~the license is scheduled to expire. Renewals shall be submitted to LP-Gas Operations along with the~~
21 ~~license renewal fee specified in subsection (b) of this section on or before the last day of the month in~~
22 ~~which the license expires in order for the licensee to continue CNG activities. Failure to meet the renewal~~
23 ~~deadline set forth in this section shall result in expiration of the license. If a person's license expires, that~~
24 ~~person shall immediately cease performance of any CNG activities.]~~

25 ~~[(1) If a person's license has been expired for 90 calendar days or fewer, the person shall~~
26 ~~submit a renewal fee that is equal to 1 1/2 times the renewal fee required in subsection (b) of this section.~~
27 ~~Upon receipt of the renewal fee, LP-Gas Operations shall verify that the person's license has not been~~
28 ~~suspended, revoked, or expired for more than one year. After verification, if the licensee has met all other~~
29 ~~requirements for licensing, LP-Gas Operations shall renew the license, and the person may resume CNG~~
30 ~~activities.]~~

31 ~~[(2) If a person's license has been expired for more than 90 calendar days but less than~~
32 ~~one year, the person shall submit a renewal fee that is equal to two times the renewal fee required in~~
33 ~~subsection (b) of this section. Upon receipt of the renewal fee, LP-Gas Operations shall verify that the~~
34 ~~person's license has not been suspended, revoked, or expired for more than one year. After verification, if~~
35 ~~the licensee has met all other requirements for licensing, LP-Gas Operations shall renew the license, and~~
36 ~~the person may resume CNG activities.]~~

37 ~~[(3) If a person's license has been expired for one year or longer, that person may not~~

1 ~~renew, but shall comply with the requirements for issuance of an original license.]~~

2 ~~[(4) A person who was licensed in this state, moved to another state, and is currently~~
3 ~~licensed and has been in practice in the other state for the two years preceding the date of application,~~
4 ~~may obtain a new license without reexamination. The person shall pay to LP-Gas Operations a fee that is~~
5 ~~equal to two times the renewal fee required by subsection (b) of this section.]~~

6 ~~[(A) As a prerequisite to licensing pursuant to this provision, the person shall~~
7 ~~submit, in addition to an application for licensing, proof of having been in practice and licensed in good~~
8 ~~standing in another state continuously for the two years immediately preceding the filing of the~~
9 ~~application;]~~

10 ~~[(B) A person licensed under this provision shall be required to comply with all~~
11 ~~requirements of licensing other than the examination requirement, including but not limited to the~~
12 ~~insurance requirements as specified in §13.62 of this title (relating to Insurance Requirements).]~~

13 (i) [(j)] Applicants for a new license [or license renewal] shall file with AFS: [LP-Gas
14 Operations]

15 (1) a completed CNG Form 1001 listing all names under which CNG related activities
16 requiring licensing are to be conducted and the applicant's properly qualified [designating a] company
17 representative as specified in §13.72 of this title (relating to Designation and Responsibilities of Company
18 Representatives and Operations Supervisors), the applicable fee specified in subsection (b) of this section,
19 and any of the following applicable forms or documents: [who shall be an owner or employee of the
20 licensee, and shall be directly responsible for actively supervising CNG operations of the licensee. A
21 licensee may have more than one company representative.]

22 (A) CNG Form 1001A if the applicant will establish any outlets pursuant to
23 subsection (k) of this section;

24 (B) CNG Form 1007 and any information requested in §13.69 of this title
25 (relating to Registration and Transfer of CNG Cargo Tanks or Delivery Units) if the applicant intends to
26 register any CNG cargo tanks or container delivery units;

27 (C) CNG Form 1019 if the applicant will be transferring the operation of one or
28 more existing retail service stations;

29 (D) any form required to comply with §13.62 of this title (relating to Insurance
30 Requirements);

31 (E) copy of current franchise tax certificate from the Texas Comptroller of
32 Public Accounts if the applicant is a corporation, limited liability or limited partnership, in accordance
33 with §13.75 of this title (relating to Franchise Tax Certification and Assumed Name Certificate); and/or

34 (F) copies of the assumed name certificates which are required to be filed with
35 the respective county clerk's office and/or the Secretary of State's office with AFS, if the applicant will be
36 performing any CNG activities under an assumed name ("DBA" or "doing business as" name), in
37 accordance with §13.75 of this title;

1 (2) payment for any other applicable fees.

2 (j) [(†)] An applicant for license shall not engage in CNG activities governed by the Texas
3 Natural Resources Code, Chapter 116, and the rules in this chapter [Regulations for Compressed Natural
4 Gas], until it has employed a [its] company representative who meets the requirements of §13.72 of this
5 title [has successfully completed the management examination administered by AFRED].

6 [(2) The licensee shall notify LP-Gas Operations in writing upon termination of its
7 company representative of record and shall at the same time designate a replacement by submitting a new
8 CNG Form 1001.]

9 [(3) The licensee shall cease operations if, at the termination of its company
10 representative, there is no other qualified company representative of the licensee who has complied with
11 the Commission's requirements. The licensee shall not resume CNG activities until such time as it has a
12 properly qualified company representative.]

13 (k) A licensee shall submit CNG Form 1001A listing all outlets operated by the licensee, and pay
14 a \$10 fee for each outlet listed on the form.

15 (1) Each outlet shall employ an operations supervisor who meets the requirements of
16 §13.72 of this title.

17 (2) Each outlet shall be listed on the operating licensee's renewal addressed in subsection
18 (n) of this section. A \$10 fee per outlet shall be submitted with the renewal.

19 (l) AFS will review the application to verify all requirements have been met.

20 (1) If errors or missing information are found on the application or other documents the
21 applicant will be notified of the deficiencies in writing.

22 (2) The applicant must respond with the required information and/or documentation
23 within 30 days of the written notice. Failure to respond by the deadline will result in withdrawal of the
24 application.

25 (3) If all requirements have been met, AFS will issue a license and mail the license to
26 licensee.

27 [(k) In addition to complying with other licensing requirements set out in the Texas Natural
28 Resources Code and the Regulations for Compressed Natural Gas, applicants for license or license
29 renewal in the following categories shall comply with the specified additional requirements:]

30 [(1) An applicant for a Category 1 license or renewal shall file with LP-Gas Operations
31 for each of its outlets legible copies of:]

32 [(A) its current DOT authorization. A licensee shall not continue to operate after
33 the expiration date of the DOT authorization, and/or]

34 [(B) its current ASME Code, Section VIII certificate of authorization or "R"
35 certificate. If ASME is unable to issue a renewed certificate of authorization prior to the expiration date,
36 the licensee may request in writing an extension of time not to exceed 60 calendar days past the
37 expiration date. The licensee's request for extension shall be received by LP-Gas Operations prior to the

1 ~~expiration date of the ASME certificate of authorization referred to in this section, and shall include a~~
2 ~~letter or statement from ASME that the agency is unable to issue the renewal certificate of authorization~~
3 ~~prior to expiration and that a temporary extension will be granted for its purposes. A licensee shall not~~
4 ~~continue to operate after the expiration date of an ASME certificate of authorization until the licensee~~
5 ~~files a current ASME certificate of authorization with LP-Gas Operations, or LP-Gas Operations grants a~~
6 ~~temporary exception.]~~

7 ~~[(2) An applicant for a Category 4 license or renewal shall file a properly completed~~
8 ~~CNG Form 1505 with LP-Gas Operations, certifying that the applicant will follow the testing procedures~~
9 ~~indicated. CNG Form 1505 shall be signed by the appropriate CNG company representative designated~~
10 ~~on CNG Form 1001.]~~

11 ~~[(f) A military service member, military veteran, or military spouse shall be exempt from the~~
12 ~~original license fee specified in subsection (b) of this section pursuant to the requirements in §13.76 of~~
13 ~~this title (relating to Military Fee Exemption). An individual who receives a military fee exemption is not~~
14 ~~exempt from renewal or transport registration fees specified in subsection (i) of this section and §13.69 of~~
15 ~~this title (relating to Registration and Transfer of CNG Transports and CNG Form 1004 Decal or Letter of~~
16 ~~Authority).]~~

17 (m) For license renewals:

18 (1) AFS shall notify the licensee in writing at the address on file with AFS of the
19 impending license expiration at least 30 calendar days before the date the license is scheduled to expire.

20 (2) The renewal notice shall include copies of applicable CNG Forms 1001, 1001A, and
21 1007, showing the information currently on file, and a list of certificate holders currently recorded as
22 employed by the licensee whose certification renewal is pending.

23 (3) The licensee shall review all renewal documentation, verify that the information is
24 correct, and return to AFS with any necessary changes clearly marked on the forms. If the franchise tax or
25 assumed name certificates required by subsection (i) of this section have expired, then updated certificates
26 shall be provided.

27 (4) The renewal forms, the license renewal fee specified in subsection (b) of this section,
28 and any other applicable fees shall be submitted with adequate time for processing to avoid the expiration
29 of the license.

30 (A) Failure to meet the renewal deadline set forth in this section shall result in
31 expiration of the license.

32 (B) If a person's license expires, that person shall immediately cease
33 performance of any CNG activities authorized by the license. Activities may only resume once the
34 license is renewed.

35 (C) If a person's license has been expired for 90 calendar days or fewer, the
36 person shall submit a renewal fee that is equal to 1 1/2 times the license renewal fee.

37 (D) If a person's license has been expired for more than 90 calendar days but less

1 than one year, the person shall submit a renewal fee that is equal to two times the license renewal fee.

2 (3) If a person's license has been expired for one year or longer, that person shall
3 not renew, but shall comply with the requirements for issuance of an original license under subsection (j)
4 of this section.

5 (5) After verification that the license has met all requirements for licensing, AFS shall
6 renew the license and mail the license certificate to the licensee.

7 (6) If the renewal has deficiencies, AFS shall notify the licensee in writing of the items
8 needed to complete the renewal process.

9 (A) If a licensee receives notice of delinquent items in the renewal process, the
10 licensee must respond with the required items prior to the expiration date of the license.

11 (B) Failure to submit the required items by the deadline shall result in expiration
12 of the license.

13 (o) A person who was licensed in this state, moved to another state, and is currently licensed and
14 has been in practice in the other state for the two years preceding the date of application, may obtain a
15 new license without reexamination. The person shall pay to AFS a fee that is equal to two times the
16 renewal fee required by subsection (b) of this section.

17 (1) As a prerequisite to licensing pursuant to this provision, the person shall submit, in
18 addition to an application for licensing, proof of having been in practice and licensed in good standing in
19 another state continuously for the two years immediately preceding the filing of the application;

20 (2) A person licensed under this provision shall be required to comply with all
21 requirements of licensing other than the examination requirement, including but not limited to the
22 insurance requirements as specified in §13.62 of this title (relating to Insurance Requirements).

23 (p) Applicants for license or license renewal in the following categories shall comply with these
24 additional requirements.

25 (1) An applicant for a Category 1 license or renewal shall file with AFS for each of its
26 outlets legible copies of:

27 (A) its current DOT authorization. A licensee shall not continue to operate after
28 the expiration date of the DOT authorization; and/or

29 (B) its current ASME Code, Section VIII certificate of authorization or "R"
30 certificate. If ASME is unable to issue a renewed certificate of authorization prior to the expiration date,
31 the licensee may request in writing an extension of time not to exceed 60 calendar days past the
32 expiration date. The licensee's request for extension shall be received by AFS prior to the expiration date
33 of the ASME certificate of authorization referred to in this section, and shall include a letter or statement
34 from ASME that the agency is unable to issue the renewal certificate of authorization prior to expiration
35 and that a temporary extension will be granted for its purposes. A licensee shall not continue to operate
36 after the expiration date of an ASME certificate of authorization.

37 (2) An applicant for a Category 4 license or renewal shall file with AFS a completed

1 CNG Form 1505 with AFS, certifying that the applicant will follow the testing procedures indicated.
2 CNG Form 1505 shall be signed by the appropriate CNG company representative designated on CNG
3 Form 1001.

4 (q) A licensee may submit CNG Form 1018 to request additional copies of the license certificate
5 at a cost of \$5 per certificate.

6
7 §13.62. Insurance Requirements.

8 (a) CNG licensees or applicants for license shall comply with the minimum amounts of insurance
9 specified in Table 1 of this section, with the self-insurance requirements in §13.63 of this title (relating to
10 Qualification as Self-Insured), or the irrevocable letter of credit requirements in §13.64 of this title
11 (relating to Qualification by Irrevocable Letter of Credit).

12 Figure: 16 TAC §13.62(a)

13 (b) Before AFS ~~[LP-Gas Operations]~~ grants or renews a license, the applicant shall submit either:

14 (1) an ~~[An]~~ insurance Acord™ form; or any other form approved by the Texas
15 Department of Insurance that has been prepared and signed by the insurance carrier containing all
16 required information. The forms must be issued by an insurance company authorized or accepted by the
17 Texas Department of Insurance; ~~[or]~~

18 (2) properly completed documents demonstrating the applicant's compliance with the
19 self-insurance requirements in §13.63 of this title (relating to Qualification as Self-Insured); or

20 (3) properly completed documents demonstrating the applicant's compliance with the
21 irrevocable letter of credit requirements in §13.64 of this title.

22 (c) A licensee shall not perform any licensed activity under §13.61 of this title (relating to
23 Licensing) unless insurance coverage required by this section is in effect.

24 ~~[(d) Except as provided in the column relating to Statements in Lieu of Required Insurance Filing~~
25 ~~in Table 1, subsection (a) of this section, and paragraphs (1) - (5) of this subsection, the types and~~
26 ~~amounts of insurance specified in subsection (a) of this section are required while engaging in any of the~~
27 ~~activities set forth in this section or any activity incidental thereto.]~~

28 (d) [(1)] A [Category 3] licensee, [or] applicant for license, or an ultimate consumer that does
29 not operate or contemplate operating ~~[the operation of]~~ a CNG transport or ~~[and]~~ does not transport or
30 contemplate transporting ~~[the delivery of]~~ CNG ~~[cylinders]~~ by vehicle in any manner may file [a] CNG
31 Form 1997B in lieu of filing motor vehicle bodily injury and property damage ~~[liability]~~ insurance form.
32 The licensee or applicant for a license shall ~~[must]~~ file the required insurance form with AFS ~~[LP-Gas~~
33 ~~Operations]~~ before operating a motor vehicle equipped with a CNG cargo container or transporting CNG
34 by vehicle in any manner.

35 (e) [(2)] A licensee or applicant for a license that does not engage in or contemplate engaging in
36 any activities ~~[operations]~~ which would be covered by general liability insurance may file [a] CNG Form
37 1998B in lieu of filing a general liability insurance form. The licensee or applicant for a license shall

1 ~~[must]~~ file the required insurance form with AFS ~~[LP-Gas Operations]~~ before engaging in any activities
2 ~~[operations]~~ that require general liability insurance.

3 ~~(f) [(3)]~~ A licensee or applicant for license that does not employ or contemplate the hiring of an
4 employee or employees to be engaged in CNG related activities in Texas may file ~~[a]~~ CNG Form 1996B
5 in lieu of filing a workers' compensation insurance form, including employer's liability insurance or
6 alternative accident and health insurance coverage. The licensee or applicant for a license shall ~~[must]~~ file
7 the required insurance form with AFS ~~[LP-Gas Operations]~~ before hiring any person as an employee
8 engaged in CNG related work.

9 ~~(g) [(4)]~~ A licensee or applicant for a license that does not engage in or contemplate engaging in
10 any CNG activities ~~[operations]~~ that would be covered by completed operations or products liability
11 insurance, or both, may file CNG Form 1998B in lieu of a completed operations and/or products liability
12 insurance form. The licensee or applicant for a license shall file the required insurance form with AFS
13 ~~[LP-Gas Operations]~~ before engaging in any operations that require completed activities ~~[operations]~~
14 and/or products liability insurance.

15 ~~(h) [(5)]~~ A licensee may protect its employees by obtaining accident and health insurance
16 coverage from an insurance company authorized to write such policies in this state as an alternative to
17 workers' compensation coverage. The alternative coverage shall be in the amounts specified in Table 1 of
18 this section.

19 ~~[(e) As evidence that required insurance has been secured and is in force, insurance forms which~~
20 ~~are approved by the Texas Department of Insurance shall be filed with LP-Gas Operations before~~
21 ~~licensing, license renewal, and during the entire period that the license is in effect. Any document filed~~
22 ~~with LP-Gas Operations in a timely manner which is not completed in accordance with the instructions~~
23 ~~indicated on the insurance forms supplied by LP-Gas Operations, but which complies with the substantive~~
24 ~~requirements of this section and with the rules adopted under this section, may be considered by LP-Gas~~
25 ~~Operations to be evidence that required insurance has been secured and is in force for a temporary period~~
26 ~~not to exceed 45 days. During this temporary period, a licensee shall file with LP-Gas Operations an~~
27 ~~amended certificate of insurance which complies with all procedural and substantive requirements of this~~
28 ~~section and this chapter.]~~

29 ~~[(f) All certificates filed under this section shall be continuous in duration and shall remain on file~~
30 ~~with LP-Gas Operations during the entire period that the license is in effect.]~~

31 ~~(i) [(g)]~~ Each licensee shall file CNG Form 1999 or other written notice with AFS ~~[LP-Gas~~
32 ~~Operations]~~ at least 30 calendar days before the cancellation of any insurance coverage. The 30-day
33 period commences on the date the notice is actually received by AFS ~~[LP-Gas Operations]~~.

34 ~~[(h) A state agency or institution, county, municipality, school district, or other governmental~~
35 ~~subdivision may meet the requirements relating to general liability and/or motor vehicle liability~~
36 ~~insurance or workers' compensation coverage by filing CNG Form 1995 with LP-Gas Operations as~~
37 ~~evidence of self-insurance, if permitted by the Texas Labor Code, Title 5, Subtitle C, and Texas Natural~~

1 ~~Resources Code, §116.036.]~~

2 (j) [(i)] Each licensee shall promptly notify AFS [~~LP-Gas Operations~~] of any change in insurance
3 coverage or insurance carrier by filing a [~~properly completed~~] revised Acord™ form; other form approved
4 by the Texas Department of Insurance that has been prepared and signed by the insurance carrier
5 containing all required information; or documents demonstrating the applicant's compliance with the
6 self-insurance requirements set forth in §13.63 of this title (relating to Qualification as Self-Insured).
7 Failure to promptly notify AFS [~~LP-Gas Operations~~] of a change in the status of insurance coverage or
8 insurance carrier may result in an enforcement action and an administrative penalty.

9 (k) A licensee may protect its employees by obtaining accident and health insurance coverage
10 from an insurance company authorized to write such policies in this state as an alternative to workers'
11 compensation coverage. The alternative coverage shall be in the amounts specified in Table 1 of this
12 section.

13 (l) A state agency or institution, county, municipality, school district, or other governmental
14 subdivision may meet the requirements relating to general liability and/or motor vehicle liability
15 insurance or workers' compensation coverage by submitting evidence of self-insurance that complies with
16 the requirements of §13.63 or §13.64 of this title. CNG Form 1995 may be filed as evidence of self-
17 insurance, if permitted by the Texas Labor Code, Title 5, Subtitle C, and Texas Natural Resources Code,
18 §116.036.

19
20 §13.63. Qualification as Self-Insured.

21 (a) General qualifications. AFS [~~LP-Gas Operations~~] may approve the application of a CNG
22 licensee to qualify as a self-insurer if such licensee furnishes a true and accurate statement of its financial
23 condition and other evidence which establishes to the satisfaction of AFS [~~LP-Gas Operations~~] the ability
24 of such licensee to satisfy its obligations for the minimum insurance requirements specified in §13.62 of
25 this title (relating to Insurance Requirements). This section shall not apply to AFS' [~~LP-Gas Operations~~']
26 licensing requirements for worker's compensation insurance, including employer's liability coverage.

27 (b) Applicant guidelines. In addition to filing a CNG Form 1027, Application for Qualification as
28 Self-Insurer, an applicant applying for self-insurer status covering general liability, including premises
29 and operations coverage, shall submit materials that will allow AFS [~~LP-Gas Operations~~] to determine
30 whether:

31 (1) the net worth of the applicant is adequate in relationship to the size of operations and
32 the extent of its request for self-insurance authority. The applicant should demonstrate that it will
33 maintain a net worth sufficient to ensure that it will be able to meet its statutory obligations to the public
34 to pay all claims relating to general liability, including premises and operations coverage in the event of a
35 claim;

36 (2) the applicant has a sound self-insurance program. The applicant shall demonstrate that
37 it has established, and will maintain an insurance program that will protect the public against all claims

1 involving CNG activities to the same extent as the minimum limits applicable pursuant to §13.61(a)(6)
2 and (7) of this title (relating to Licensing). Such a program may include, but not be limited to, one or
3 more of the following: reserves; sinking funds; third party financial guarantees; parent company or
4 affiliate sureties; excess insurance coverage; or other similar arrangements;

5 (3) the applicant presents evidence that it meets the requirements for motor carrier
6 self-insurance promulgated by the Texas Department of Transportation.

7 (c) Other securities or agreements. AFS [~~LP-Gas Operations~~] may consider applications for
8 approval of other securities or agreements, or may require any other document(s) which may be necessary
9 to ensure such application satisfies that the security or agreement offered will afford adequate security for
10 protection of the public.

11 (d) Periodic reports. Semiannual reports and annual statements reflecting the applicant's financial
12 condition and status of its self-insurance program shall be filed with AFS [~~LP-Gas Operations~~] during the
13 period of its self-insurer status by March 10 and September 10 of each year.

14 (e) Duration of self-insurer status. AFS [~~LP-Gas Operations~~] may approve the applicant as a
15 self-insurer for any specific time period, or for an indefinite period until revoked by AFS [~~LP-Gas~~
16 ~~Operations~~].

17 (f) Revocation of a self-insurer status. AFS [~~LP-Gas Operations~~] may at any time, upon 10 days
18 notice to the applicant, require the applicant to appear and demonstrate that it continues to have adequate
19 financial resources to pay all general liability, including premises and operations coverage claims, and
20 that it remains in compliance with the other requirements of this section. If the applicant fails to so
21 demonstrate, its self-insurer status shall be revoked and it may be ineligible for self-insurance in the
22 future.

23 (g) A state agency or institution, county, municipality, school district, or other governmental
24 subdivision may meet the requirements for general liability and/or motor vehicle liability insurance or
25 workers' compensation coverage of §13.62 of this title if permitted by the Texas Workers' Compensation
26 Act, Texas Labor Code, Title 5, Subtitle A; and the Texas Natural Resources Code, §116.036, by
27 submitting a CNG Form 1995 to AFS [~~LP-Gas Operations~~].

28
29 §13.64. Qualification by Irrevocable Letter of Credit.

30 When an applicant submits a CNG Form 1028, Application to use Irrevocable Letter of Credit, as
31 an alternative to insurance, letters of credit shall be subject to the following conditions:

32 (1) the letter may only be issued by a federally chartered and federally insured bank
33 authorized to do business in the United States;

34 (2) the letter of credit must be irrevocable during their terms;

35 (3) the letter must be payable to the commission in part or in full upon demand and
36 receipt from the commission of a notice of forfeiture;

37 (4) this section shall not apply to AFS [~~LP-Gas Operations~~] licensing requirements for

worker's compensation insurance, including employer's liability coverage.

§13.65. Statements in Lieu of Insurance Certificates. **REPEAL**

§13.66. Limitation/Avoidance of Licensee Liability.

(a) A compressed natural gas (CNG) licensee may not limit or avoid its liability or that of its insurer for damages proximately caused by any negligent act or acts of the licensee in handling CNG.

(b) An attempt to limit or avoid liability before the negligent act or acts, through indemnity clauses or otherwise, shall be null and void.

(c) This section does not apply to negotiations and/or settlements made subsequent to the recognition by the parties to a contract of the licensee's negligent act or acts.

(d) To the extent that any damage occurring during or subsequent to any of the following acts does not proximately result from any negligent act of the licensee, the licensee may limit liability based on the following:

(1) unauthorized, unsafe, or improper applications of CNG and/or CNG systems or equipment by any user or other person;

(2) any use or operation of CNG and/or CNG systems or equipment contrary to the specific representations made by any user or other person to a CNG licensee during or preceding installations or servicing of such CNG systems or equipment and relied upon by such CNG licensee in selecting, designing, installing, or servicing such systems or equipment; or

(3) any modification, change, installation, alteration, tampering, or other action by any unlicensed person, to or upon any CNG system or equipment.

§13.67. Changes in Ownership, ~~and/or~~ Form of Dealership or Name of Dealership.

(a) Changes in ownership which require a new license.

(1) Transfer of dealership outlet or location by sale, lease, or gift.

~~[(1) Licensing:] The purchaser, lessee, or donee of any dealership or outlet shall have a current and valid license authorizing the CNG activities to be performed and the dealership or outlet or [location] shall apply for and be issued a [notice of tentative] CNG license [approval:] prior to engaging in any CNG activities which require a license. The purchaser, lessee, or donee shall notify AFS by filing CNG Form 1001 prior to engaging in any CNG activities and that dealership or outlet which require a CNG license [the transfer of such an entity. Such tentative CNG license approval, when issued, shall be valid for a period not to exceed 90 days from the date of issue. During this 90-day period, the licensee and the recipient of the tentative CNG license approval shall be allowed to conduct business under this subchapter. Any applicable licensing fees shall be prorated to cover this period of tentative approval and shall be payable at the time of application for tentative approval. Any portion of the licensing fees unused during this 90-day period shall be applied on a prorated basis to the licensing fee required of the new~~

1 purchaser, lessee, or donee of such dealership or outlet].

2 [(2) Notice. After the transfer of any dealership outlet or location, the new
3 operator/owner or the authorized representative thereof, shall notify LP-Gas Operations of the completed
4 transfer of such dealership by certified mail immediately upon the completion of said transfer, and file
5 with LP-Gas Operations all forms of application for licensing or registration required by this subchapter.]

6 (2) [(b)] Other changes in ownership.

7 [(1) Licensing:] A change in partnership members occurs upon the death, withdrawal,
8 expulsion, or addition of a partner. Upon the death of a sole proprietor or partner, the dissolution of a
9 corporation or partnership, any changes in the members of a partnership, or other changes in ownership
10 not specifically provided for elsewhere in this section, an authorized representative of the previously
11 existing dealership or of the successor in interest shall notify AFS in writing and shall immediately cease
12 all CNG activities of the previously existing dealership which require a CNG license and shall not resume
13 until AFS issues a CNG license to the successor in interest [~~the CNG operation shall continue for no~~
14 ~~longer than 30 days, unless a CNG license is issued to the successor in interest and the notice~~
15 ~~requirements of paragraph (2) of this subsection have been satisfied. This 30-day period shall be allowed~~
16 ~~only when the licensee meets all other pertinent requirements of this subchapter, specifically those~~
17 ~~regarding the licensee's representative].~~

18 [(2) Notice. The successor in interest shall notify LP-Gas Operations by certified mail of
19 the death of a sole proprietorship or partner, the dissolution of a corporation or partnership, any change in
20 partnership members, or other changes in ownership not specifically provided for in this section.]

21 [(3) Change in partnership members. A change in partnership members occurs upon the
22 death, withdrawal, expulsion, or addition of a partner.]

23 [(4) Transfer of stock. Notwithstanding, the provisions of paragraphs (1) - (3) of this
24 subsection, a change in ownership does not occur, for the purpose of this section, when shares of stock in
25 a corporation are transferred, exchanged, sold, or alienated, unless such action creates a new controlling
26 interest in such corporation.]

27 (b) [(c)] Changes in dealership business entity [form].

28 [(1) Licensing:] When a dealership converts from one business entity into [to] a different
29 kind of business entity, the resulting [newly formed] entity shall apply for and be issued a [notice of
30 tentative] CNG license approval before [~~prior to~~] engaging in any CNG activities which require a CNG
31 license and shall immediately notify AFS in writing of the change in business entity [the conversion. Such
32 tentative CNG license approval, when issued, shall be valid for a period not to exceed 90 days from the
33 date of issue. During this 90-day period, the licensee (regardless of form) shall be allowed to conduct
34 business under this subchapter. Any applicable licensing fees shall be paid or maintained to cover this
35 period of tentative approval and shall be paid or payable at the time of application for tentative approval.
36 Any fees paid by this original entity shall be credited on a prorated basis to the account of the new entity].

37 [(2) Notice. An authorized representative of the original entity or of the new entity shall

1 ~~notify LP-Gas Operations by certified mail of an accomplished change in business form immediately~~
2 ~~upon the completion of such conversion, and shall cause to be filed with LP-Gas Operations all forms of~~
3 ~~applications for licensing or registration required by this subchapter.]~~

4 (c) Dealership name change. A licensee which changes its name shall not be required to obtain a
5 new license but shall immediately notify AFS as follows prior to engaging in any CNG activities under
6 the new name. If the change in name is also a change in entity type or results in a different franchise tax
7 ID, then a new license shall be required. If a new license is not required, the licensee shall file:

8 (1) an amended CNG Form 1001 and, if applicable, Form 1001A;

9 (2) a copy of the licensee's business documents reflecting the name change, such as
10 amendments to the articles of incorporation or assumed name filings;

11 (3) certificates of insurance or affidavits in lieu of insurance if permitted by §13.63 of
12 this title (relating to Qualification as Self-Insured) or both; and

13 (4) any other forms required by AFS.

14 (d) Company representative and operations supervisor. In all changes of ownership, form of
15 dealership, or name of dealership, the resulting entity shall have a properly certified company
16 representative for the license and an operations supervisor, if required, at each outlet and as outlined in
17 §13.72 of this title (relating to Designation and Responsibilities of Company Representative and
18 Operations Supervisor).

19 (e) For good cause shown, the AFS director may grant a temporary exception of 30 days or less
20 to the examination requirements for company representatives and operations supervisors. Good cause
21 includes but is not limited to the death of a sole proprietor or partner. An applicant for a temporary
22 exception shall comply with applicable safety requirements and submit to AFS information showing the
23 exception will not be hazardous to the public.

24
25 §13.68. Dealership Name Change. **REPEAL**

26
27 §13.69. Registration and Transfer of CNG Cargo Tanks or Delivery Units ~~[Transports and CNG Form~~
28 ~~1004 Decal or Letter of Authority]~~.

29 (a) All CNG cargo tanks shall comply with US DOT Code of Federal Regulations (CFR) or
30 Transport Canada (TC) Transportation of Dangerous Goods (TDG).

31 (b) [(a)] A person who operates a [transport equipped with] CNG cargo tanks or any cylinder
32 delivery unit, regardless of who owns the transport or unit, shall register such transport or unit with AFS
33 [LP-Gas Operations] in the name or names under which the operator conducts business in Texas prior to
34 the transport or unit being used in CNG service.

35 (1) To register a unit previously unregistered in Texas, the operator of the unit shall:

36 (A) pay to AFS [LP-Gas Operations] the \$300 [\$270] registration fee for each
37 cargo tank or [bobtail truck, semitrailer,] cylinder delivery unit[, or other motor vehicle equipped with

1 ~~CNG cargo tanks, and]~~

2 (B) file ~~[a properly completed]~~ CNG Form 1007;

3 (C) file a copy of the manufacturer's data report;

4 (D) file a copy of the DOT compliance sheet; and

5 (E) file a copy of the most recent hydrostatic test.

6 (2) To register a specification unit which was previously registered in Texas but for
7 which the registration has expired, the operator of the unit shall:

8 (A) pay to AFS \$25 for each month remaining on the operator's license ~~[LP-Gas~~
9 ~~Operations the \$270 registration fee];~~

10 (B) file ~~[a properly completed]~~ CNG Form 1007; and

11 (C) file a copy of the latest test results if an expired unit has not been used in the
12 transportation of CNG for over one year, or if a current hydrostatic test has not been filed with AFS.

13 (3) To transfer a currently registered unit, the new operator ~~[owner]~~ of the unit ~~[transport]~~
14 shall:

15 (A) pay the \$25 for each month remaining on the operator's license up to \$100
16 ~~[transfer fee for each unit]; and~~

17 (B) file ~~[a properly completed]~~ CNG Form 1007.

18 (4) To re-register a currently registered unit, the licensee operating the unit shall pay a
19 \$300 annual registration fee.

20 ~~[(b) LP-Gas Operations may also request that an operator registering or transferring any unit to~~
21 ~~file a copy of the Manufacturer's Data Report.]~~

22 (c) When all registration or transfer requirements have been met, AFS ~~[LP-Gas Operations]~~ shall
23 issue CNG Form 1004 ~~[or letter of authority]~~ which shall be properly affixed in accordance with the
24 placement instructions on the form ~~[as instructed on the decal or letter or maintained on the bobtail or~~
25 ~~transport trailer]~~. CNG Form 1004 ~~[or letter of authority]~~ shall authorize the licensee or ultimate
26 consumer to whom it has been issued and no other person to operate such unit in the transportation of
27 CNG and to fill the transport containers.

28 (1) A person shall not operate a CNG transport ~~[unit]~~ or cylinder delivery unit ~~[or~~
29 ~~introduce CNG into a transport container]~~ in Texas unless the CNG Form 1004 ~~[or letter of authority]~~ has
30 been properly affixed ~~[as instructed on the decal or the letter or maintained on the bobtail or transport~~
31 ~~trailer]~~ or unless its operation has been specifically approved by AFS ~~[LP-Gas Operations]~~.

32 (2) A person shall not introduce CNG into a transport container unless that unit bears a
33 CNG Form 1004 or unless specifically approved by AFS.

34 (3) ~~[(2)]~~ CNG Form 1004 ~~[or letter of authority]~~ shall not be transferable by the person
35 to whom it has been issued, but shall be registered by any subsequent licensee or ultimate consumer prior
36 to the unit being placed into CNG service.

37 (4) ~~[(3)]~~ This subsection shall not apply to:

1 (A) a container manufacturer/fabricator who introduces ~~[from introducing]~~ a
2 reasonable amount of CNG into a newly constructed container in order to properly test the vessel, piping
3 system, and appurtenances prior to the initial sale of the container. The CNG shall be removed from the
4 transport container prior to the transport leaving the manufacturer's or fabricator's premises; or

5 (B) a person who introduces a maximum of 500 cubic feet of CNG into a newly
6 constructed transport container when such container will provide the motor fuel to the chassis engine for
7 the purpose of allowing the unit to reach its destination.

8 (5) ~~[(4)]~~ AFS ~~[LP-Gas Operations]~~ shall not issue a CNG Form 1004 ~~[or letter of~~
9 ~~authority]~~ if:

10 (A) AFS ~~[LP-Gas Operations]~~ or a Category 1 or 4 licensee determines that the
11 transport is unsafe for CNG service;

12 (B) AFS does not have an inspection record of the transport or cylinder delivery
13 unit by a Commission representative within four years of its initial registration on or after [date to be
14 determined before formal proposal]; or

15 (C) AFS has not inspected the transport or cylinder delivery unit at least once
16 every four years after the initial registration.

17 (6) ~~[(5)]~~ If a CNG Form 1004 decal ~~[or letter of authority]~~ on a unit currently registered
18 with AFS ~~[LP-Gas Operations]~~ is destroyed, lost, or damaged, the operator of that vehicle shall obtain a
19 replacement by filing CNG Form 1018B and a \$75 ~~[\$50]~~ replacement fee with AFS ~~[LP-Gas Operations]~~.

20 (d) All CNG transport containers, container appurtenances, equipment, and other components
21 shall be maintained in a safe working order and in accordance with the manufacturer's instructions and the
22 rules in this chapter.

23 (e) If any of the CNG components are not in safe working order, AFS may require that the unit
24 be immediately removed from CNG service and not operated until the necessary repairs have been made.

25 (f) Each transport container unit required to be registered with AFS shall be tested in accordance
26 with 49 CFR 180.407, relating to requirements for test and inspection of specification cargo tanks. The
27 tests shall be conducted by any individual authorized by the United States Department of Transportation
28 through a DOT "CT" number to conduct such tests. This subsection shall not apply to the initial transfer
29 of unregistered units that are tested and transferred from another state. If the test results show any unsafe
30 condition, or if the transport unit does not comply with 49 CFR Parts 100-185, the transport container unit
31 shall be immediately removed from CNG service and shall not be returned to CNG service until all
32 necessary repairs have been made and AFS authorizes in writing its return to service.

33 (g) Each CNG transport and container delivery unit in CNG service shall be marked on each side
34 and the rear with the name of the licensee or the ultimate consumer operating the unit. Such lettering shall
35 be legible and at least two inches in height and in sharp color contrast to the background. AFS shall
36 determine whether the name marked on the unit is sufficient to properly identify the licensee or ultimate
37 consumer.

§13.70. Examination Requirements and Renewals.

(a) Examination general provisions.

(1) In addition to NFPA 52 §§4.1 and 4.2, and NFPA 55 §4.7, no person shall perform work, directly supervise CNG activities, [No individual may work] or be employed in any capacity requiring [which requires] contact with CNG unless: [or CNG systems until]

(A) that individual has taken and passed any applicable rules examination specified in subsection (e) of this section and is employed by a licensee or by a license-exempt entity in accordance with §13.61 of this title (relating to Licenses, Related Fees, and Licensing Requirements); [submitted to and successfully completed an examination which measures the competency of that individual to perform the CNG-related activities anticipated, and tests working knowledge of the Texas Natural Resources Code and the regulations for compressed natural gas related to the type of CNG work anticipated. Table 1 of this section sets forth specific requirements for examination for each category of license. This section applies to all licensees and their employees who perform CNG-related activities, and also applies to any ultimate consumer who has purchased, leased, or obtained other rights in any vessel defined as a CNG transport by this chapter and any employee of such ultimate consumer if that employee drives or in any way operates such a CNG transport. Driving a motor vehicle powered by CNG or fueling of motor vehicles for an ultimate consumer by the ultimate consumer or its employees do not in themselves constitute CNG-related activities. Only paragraph (2) of this subsection applies to an employee of an ultimate consumer or a state agency or institution, county, municipality, school district, or other governmental subdivision]

(B) that individual is a trainee who complies with subsection (h) of this section;

or

(C) that individual holds a current registration card pursuant to subsection (i) of this section.

[Figure: 16 TAC §13.70(a)(1)]

(b) An individual who passes the applicable rules examination with a score of at least 75% will become a certificate holder. AFS will mail a certification card to the licensee listed on the CNG Form 1016. If a licensee is not listed on the form, the card will be mailed to individual's personal address.

(1) Successful completion of any required examination shall be credited to and accrue to the individual.

(2) An individual who has been issued a certification card shall make the card readily available and shall present the card to any Commission employee or agent who requests proof of certification.

(3) Certificate holders may request an additional or replacement copy of their certification card by submitting a request to AFS and paying a fee of \$5 per card.

(c) An applicant for examination shall bring to the exam site:

(1) a completed CNG Form 1016; and

1 (2) a check, money order or online receipt showing the applicable nonrefundable rules
2 examination fee specified in subsection (d)(2) of this section;

3 (d) An individual who files CNG Form 1016 and pays the applicable nonrefundable examination
4 fee may take the rules examination.

5 (1) Dates and locations of available Commission CNG examinations may be obtained in
6 the Austin offices of AFS and on the Commission's web site, and shall be updated at least monthly.
7 Examinations may be conducted at the Commission's AFS Training Center in Austin between the hours
8 of 8:00 a.m. and 12:00 noon, Monday through Friday, except for state holidays, and at other designated
9 times and locations around the state. Individuals or companies may request in writing that examinations
10 be given in their area. AFS shall schedule its examinations and locations at its discretion.

11 (2) Exam fees.

12 (A) ~~The [Individuals wishing to take a management-level rules examination (for~~
13 ~~company representatives or operations supervisors) shall pay a]~~ nonrefundable management-level rules
14 examination fee is \$80 [of \$70 before taking any such examination].

15 (B) ~~The [Individuals wishing to take an employee-level rules examination (for~~
16 ~~employees other than company representatives or operations supervisors) shall pay a]~~ nonrefundable
17 employee-level rules examination fee is \$50 [of \$40 before taking any such examination].

18 (C) ~~The nonrefundable examination fees shall be paid each time an individual~~
19 ~~takes an [are nonrefundable and, if an applicant fails an examination, the applicant shall pay the full~~
20 ~~examination fee for each subsequent] examination.~~

21 (D) A military service member, military veteran, or military spouse shall be
22 exempt from the examination fee pursuant to the requirements in §13.76 of this title (relating to Military
23 Fee Exemption). An individual who receives a military fee exemption is not exempt from renewal fees
24 specified in subsection (j) ~~[(t)]~~ of this section.

25 (3) Time limits.

26 (A) An applicant shall complete the examination within two hours.

27 (B) The examination proctor shall be the official timekeeper.

28 (C) An examinee shall submit the examination and the answer sheet to the
29 examination proctor before or at the end of the established time period for an examination.

30 (D) The examination proctor shall mark any answer sheet that was not
31 completed within the time limit.

32 (4) Management-level examinations are closed book. Employee-level examinations are
33 open book. The Commission will provide copies of the publications for an examinee's use.

34 (5) Any person transporting CNG on a public roadway must be properly certified, even
35 if the unit is operated by an ultimate consumer.

36 (6) ~~[(2)]~~ Each individual who performs CNG activities as an employee of an ultimate
37 consumer or a state agency, county, municipality, school district, or other governmental subdivision shall

1 be properly supervised by his or her employer. Any such individual who is not certified by AFS
2 [~~AFRED~~] to perform such CNG activities shall be properly trained by a competent person in the safe
3 performance of such CNG activities.

4 ~~[(3) Each person wishing to submit to examination shall file a CNG Form 1016 with~~
5 ~~AFRED.]~~

6 ~~[(4) An individual who has filed CNG Form 1016 and the applicable nonrefundable~~
7 ~~examination fee may take the rules examination at the Commission's AFRED Training Center, 6506 Bolm~~
8 ~~Road, Austin, Texas, between the hours of 8:00 a.m. and 12:00 noon, Monday through Friday, except for~~
9 ~~state holidays, and at other designated times and locations around the state. Tuesdays and Thursdays are~~
10 ~~the preferred days for examinations at the AFRED Training Center. Dates and locations of available~~
11 ~~Commission CNG examinations may be obtained in the Austin offices of AFRED and on the~~
12 ~~Commission's web site, and shall be updated at least monthly. Examinations shall be conducted in Austin~~
13 ~~and in other locations around the state. Individuals or companies may request in writing that examinations~~
14 ~~be given in their area. AFRED shall schedule its examinations and locations at its discretion.]~~

15 (e) The following examinations are offered by the Commission.

16 (1) Employee-level examinations:

17 (A) The Service and Installation Technician examination qualifies an individual
18 to perform all CNG activities related to stationary CNG systems, including CNG containers, piping and
19 equipment. The Service and Installation examination does not authorize an individual to fill containers or
20 operate a CNG transport.

21 (B) The Delivery Truck Driver examination qualifies an individual to operate a
22 cargo tank or cylinder deliver unit, load and unload CNG and connect and disconnect transfer hoses,
23 operate a cylinder delivery unit, perform all activities related to stationary CNG systems, including CNG
24 containers, piping and equipment, and inspect, fill, disconnect and connect CNG cylinders.

25 (C) The Cylinder Filler examination qualifies an individual to inspect, fill,
26 disconnect and connect CNG cylinders.

27 (2) Management-level examinations:

28 (A) Category 1 examination qualifies an individual to manufacture, assemble,
29 repair, test, sell, install, and subframe CNG cylinders.

30 (B) Category 2 examination qualifies an individual to sell, install, service, and
31 repair CNG systems, including cylinders.

32 (C) Category 3 examination qualifies an individual to sell, store, transport for
33 delivery and dispense CNG for use other than by an ultimate consumer and to sell, install, service and
34 repair CNG systems as described in Category 2, 5 and 6 examinations.

35 (D) Category 4 examination qualifies an individual to test CNG cylinders.

36 (E) Category 5 examination qualifies an individual to operate a CNG service
37 station, including filling CNG cylinders, or to operate a cylinder exchange dealership, including filling

1 CNG cylinders, selling CNG in cylinders, selling CNG cylinders, and replacing cylinder valves.

2 (F) Category 6 examination qualifies an individual to sell CNG cylinders or
3 systems.

4 (f) [(5)] Within 15 calendar days of the date an individual takes an examination, AFS [~~AFRED~~]
5 shall notify the individual of the results of the examination.

6 [(A)] If the examination is graded or reviewed by a testing service, AFS [~~AFRED~~] shall
7 notify the individual of the examination results within 14 days of the date AFS [~~AFRED~~] receives the
8 results from the testing service. If the notice of the examination results will be delayed for longer than 90
9 days after the examination date, AFS [~~AFRED~~] shall notify the individual of the reason for the delay
10 before the 90th day. AFS [~~AFRED~~] may require a testing service to notify an individual of the
11 individual's examination results.

12 [(B) Successful completion of any required examination shall be credited to and
13 accrue to the individual.]

14 (g) [(C)] Failure of any [~~Any individual who fails an~~] examination shall [~~be~~] immediately
15 disqualify the individual [~~disqualified~~] from performing any CNG related activities covered by the
16 examination.

17 (1) Any individual who fails an examination administered by the Commission [~~AFRED~~]
18 at the Austin location [~~only~~] may retake the same examination [~~only~~] one additional time during a
19 business day.

20 (2) Any subsequent examinations shall be taken on another business day, unless
21 approved by the AFS [~~AFRED~~] director.

22 (3) If requested by an individual who failed the examination, AFS [~~AFRED~~] shall
23 furnish the individual with an analysis of the individual's performance on the examination.

24 [(6) Time limits:]

25 [(A) Effective June 1, 2008, an applicant shall complete the examination within
26 two hours.]

27 [(B) The examination proctor shall be the official timekeeper.]

28 [(C) An examinee shall submit the examination and the answer sheet to the
29 examination proctor before or at the end of the established time limit for an examination.]

30 [(D) The examination proctor shall mark any answer sheet that was not
31 completed within the time limit.]

32 (h) Trainees.

33 (1) A licensee or ultimate consumer may employ an individual as a trainee for a period
34 not to exceed 45 calendar days without that individual having successfully completed the rules
35 examination, as specified in subsection (e) of this section, subject to the following conditions:

36 (A) In addition to NFPA 52 §4.2, the trainee shall be directly and individually
37 supervised at all times by an individual who has successfully completed the Commission's rules

1 examination for the areas of work being performed by the trainee.

2 (B) A trainee who has been in training for a total period of 45 calendar days, in
3 any combination and with any number of employers, shall cease to perform any CNG activities for which
4 the trainee is not certified until the trainee successfully completes the rules examination.

5 (2) A trainee who fails the rules examination shall immediately cease to perform any
6 CNG related activities covered by the examination failed.

7 (i) ~~[(b)]~~ General installers and repairmen exemption.

8 (1) Any individual who is currently licensed as a master or journeyman plumber by the
9 Texas State Board of Plumbing Examiners or who is currently licensed with a Class A or B Air
10 Conditioning and Refrigeration Contractors License ~~[air conditioning and refrigeration contractors~~
11 ~~license]~~ issued by the Texas Department of Licensing and Regulation may register with AFS ~~[apply for]~~
12 and be granted an exemption to the ~~[Category 2 and 3]~~ service and installation technician employee-level
13 [employee] examination requirements provided the applicant ~~[by submitting to AFRED the following~~
14 ~~information]:~~

15 (A) holds an active license in compliance with Texas Occupations Code,
16 §1302.260, relating to Issuance and Term of License, and §1301.351, relating to License, Endorsement,
17 or Registration Required;

18 (B) ~~[(A)]~~ submits a completed CNG Form 1016B;

19 (C) ~~[(B)]~~ submits the required \$75 registration ~~[a \$30 original filing]~~ fee, except
20 as described in paragraph (7) of this subsection; ~~[and]~~

21 ~~[(C) any information AFRED may reasonably require]~~

22 (D) submits a legible copy of a current Air Conditioning and Refrigeration
23 Contractors License or Master/Journeyman Plumbers certificate; and

24 (E) submits a legible copy of a current picture state-issued identification card or
25 driver's license.

26 (2) This exemption does not become effective until the registration ~~[examination~~
27 ~~exemption]~~ card is issued by AFS ~~[AFRED]~~. AFS will review the application and submitted
28 documentation.

29 (A) If deficiencies are found with the application, fees and/or submitted
30 documentation, AFS will notify the applicant in writing of the deficiencies.

31 (B) If an applicant receives notice of delinquent items in the application, the
32 applicant must respond with the required information and/or documentation within 30 days of the written
33 notice. Failure to respond will result in withdrawal of the application.

34 (C) If all requirements are met, AFS will mail a registration card to the address
35 listed on the application and the individual will become a certificate holder.

36 (D) An additional/replacement copy of the registration card may be obtained by
37 submitting a request to AFS and paying a fee of \$5 per card.

1 (3) The examination exemption accrues to the individual and is nontransferable. An
2 exemption does not allow other individuals to perform CNG related activities under the supervision of the
3 registered individual. Each person performing CNG related activities must be registered or certified by
4 examination in accordance with subsection (a) of this section.

5 (4) Any individual granted such exemption shall maintain registered ~~[certified]~~ status at
6 all times. Upon failure to maintain registered ~~[certified]~~ status, the individual shall immediately cease all
7 affected CNG activities ~~[all affected CNG operations shall cease immediately]~~ until proper status has been
8 regained.

9 (5) In order to maintain an exemption, each individual issued a registration ~~[an~~
10 ~~examination exemption]~~ card shall renew in accordance with subsection (j) of this section ~~[pay a \$20~~
11 ~~annual renewal fee to AFRED on or before May 31 of each year]~~. Failure to properly renew by the
12 deadline ~~[pay the annual renewal fee by May 31]~~ shall result in an expired ~~[a lapsed]~~ exemption. ~~[If an~~
13 ~~individual's exemption lapses, that individual shall cease performing all CNG related activities granted by~~
14 ~~this exemption until that individual renews the exemption. To renew a lapsed exemption, the individual~~
15 ~~shall pay the \$20 annual renewal fee plus a \$20 late-filing fee. Failure to do so shall result in the~~
16 ~~expiration of the examination exemption. If the individual's examination exemption has been expired for~~
17 ~~one year or longer, the individual shall complete all requirements necessary to apply for a new~~
18 ~~exemption.]~~

19 (6) Any individual who is issued this exemption agrees to comply with ~~[the current~~
20 ~~edition of]~~ the rules in this chapter ~~[regulations for compressed natural gas]~~. In the event the exempt
21 individual surrenders, fails to renew, or has the license revoked either by the Texas State Board of
22 Plumbing Examiners or Texas Department of Licensing and Regulation, that individual shall immediately
23 cease performing any CNG activity granted by this section. ~~[The examination exemption card shall be~~
24 ~~returned immediately to AFRED and all rights and privileges surrendered.]~~

25 (7) A military service member, military veteran, or military spouse shall be exempt from
26 the original registration fee pursuant to the requirements in §13.76 of this title. An individual who
27 receives a military fee exemption is not exempt from renewal fees specified in subsection (d) of this
28 section.

29 ~~[(c) Trainees:]~~

30 ~~[(1) A licensee or ultimate consumer may employ an individual as a trainee for a period~~
31 ~~not to exceed 45 calendar days without that individual having successfully completed the rules~~
32 ~~examination subject to the following conditions:]~~

33 ~~[(A) The trainee shall be directly and individually supervised at all times by an~~
34 ~~individual who has successfully completed the rules examination for the areas of work being performed~~
35 ~~by the trainee:]~~

36 ~~[(B) The licensee or ultimate consumer shall ensure that CNG Form 1016 is on~~
37 ~~file with AFRED for each trainee at the time that trainee begins supervised CNG activities. The trainee~~

1 ~~shall then have 45 calendar days to pass the applicable rules examination.]~~

2 ~~[(2) A trainee who fails the rules examination shall immediately cease to perform any~~
3 ~~CNG related activities covered by the examination failed.]~~

4 ~~[(3) A trainee who has been in training for a total of 45 calendar days, in any combination~~
5 ~~and with any number of employers, shall cease to perform any CNG activities for which he or she is not~~
6 ~~certified.]~~

7 (j) [(d)] Requirements for certificate holder renewal [Renewal of certified status].

8 (1) AFS [AFRED] shall notify licensees of any employees' pending renewal deadlines
9 [renewals] through the licensee's annual license renewal notice and [,-or] shall notify the individual if not
10 employed by a licensee, in writing, using the contact information [at the address] on file with AFS at least
11 30 days prior to the individual's certification or registration expiration [AFRED no later than March 15 of
12 a year for the May 31 renewal date of that year].

13 (2) Certificate holders [In order to maintain active status, a certificate holder] shall pay
14 the nonrefundable \$50 certification or registration [\$25 annual certificate] renewal fee to AFS [AFRED]
15 on or before the deadline [May 31 of] each year. Individuals who hold more than one certification
16 [certificate] shall pay only one annual renewal fee.

17 (A) [(3)] Failure to pay the nonrefundable annual renewal fee by the deadline
18 shall result in an expired certification or registration [a lapse of certification unless the late filing fee in
19 paragraph (4) of this subsection is paid].

20 (i) To renew an expired certification or registration, the individual shall
21 pay the nonrefundable \$50 annual renewal fee plus a nonrefundable \$25 late-filing fee. Failure to do so
22 shall result in the expiration of the certification or registration.

23 (ii) If a person's certification or registration lapses or expires, that person
24 shall immediately cease performing any CNG activities authorized by the certification or registration.

25 (iii) If an individual's certification or registration has been expired for
26 more than two years [one year or longer], that individual shall comply with the requirements of
27 subsection (a) or (i) of this section. [If an individual's certification lapses or expires, that individual shall
28 immediately cease performance of any CNG activities that require certification. Certified status shall be
29 regained only by successfully completing the examination requirement for certification and meeting the
30 requirements of paragraph (4) of this subsection.]

31 (B) [(4)] [Any lapsed renewals submitted after May 31st of each year shall
32 include a \$20 late filing fee in addition to the renewal fee, proof of successful completion of the
33 examination required for certification, and be received in AFRED's Austin office no later than close of
34 business on August 31 or, if August 31 falls on a weekend or state holiday, close of business on the last
35 business day before August 31 of each year.] Upon receipt of the licensee's list of individuals or an
36 individual's written notice if that individual is not employed by a licensee, annual renewal fees [fee] and
37 any late-filing fees [late filing penalty], AFS [AFRED] shall verify that all applicable requirements have

1 ~~been met [the individual's certification has not been suspended, revoked, or expired for one year or~~
2 ~~longer]. After verification, AFS [AFRED] shall renew the certification or registration and mail a copy of~~
3 ~~the certification or registration card , and the individual may continue or resume CNG activities~~
4 ~~authorized by that certification or registration.~~

5 (3) An additional or replacement copy of the registration card may be obtained by
6 submitting a request to AFS and paying a fee of \$5 per card.

7 ~~[(e) Expired certification(s). Any renewal submitted after the August 31 deadline shall be~~
8 ~~considered expired. If an individual wishes to renew a certification that has been expired for less than one~~
9 ~~year, that individual shall submit the annual renewal fee and late filing fee, and proof of successful~~
10 ~~completion of the examination required for certification. Upon verification that the individual's~~
11 ~~certification has not been suspended, revoked, or expired for one year or longer, AFRED shall renew the~~
12 ~~individual's certification and the individual may resume CNG activities.]~~

13
14 §13.71. Hearings for Denial, Suspension, or Revocation of Licenses or Certifications. **REPEAL**

15
16 §13.72. Designation and Responsibilities of Company Representative and [of] Operations Supervisor
17 ~~[(Branch Manager)].~~

18 (a) Each licensee shall have at least one company representative for the license and at least one
19 operations supervisor for each outlet.

20 (1) A licensee maintaining one or more outlets shall file CNG Form 1001 with AFS
21 listing the physical location of the first outlet and designating the company representative for the license
22 and CNG Form 1001A designating the physical location and operations supervisor for each additional
23 outlet.

24 (2) A licensee may have more than one company representative.

25 (3) An operations supervisor may be an operations supervisor at more than one outlet
26 provided that:

27 (A) each outlet has a designated CNG certified employee responsible for the
28 CNG activities at that outlet;

29 (B) the certified employee's and/or operations supervisor's telephone number is
30 posted at the outlet on a sign with lettering at least 3/4 inches high, visible and legible during normal
31 business hours; and

32 (C) the certified employee and/or operations supervisor monitors the telephone
33 number and responds to calls during normal business hours.

34 (4) The company representative may also serve as operations supervisor for one or more
35 of the licensee's outlets provided that the person meets both the company representative and operations
36 supervisor requirements in this section.

37 (5) A licensee shall immediately notify AFS in writing upon conclusion of employment.

1 for whatever reason, of its company representative or any operations supervisor and shall at the same time
2 designate a replacement.

3 (6) A licensee shall cease all CNG activities if it no longer employs a qualified
4 company representative who complies with the Commission's requirements. A licensee shall not resume
5 CNG activities until such time as it has a properly qualified company representative.

6 (7) A licensee shall cease CNG activities at an outlet if it no longer employs a qualified
7 operations supervisor at that outlet who complies with the Commission's requirements. A licensee shall
8 not resume CNG activities at that outlet until such time as it has a properly qualified operations
9 supervisor.

10 (b) A company representative shall:

11 (1) be an owner or employee of the licensed entity;

12 (2) be the licensee's principal individual in authority and be responsible for actively
13 supervising all CNG activities conducted by the licensee, including all equipment, container, product, and
14 system activities;

15 (3) have a working knowledge of the licensee's CNG activities to insure compliance with
16 the rules in this chapter;

17 (4) pass the appropriate management-level rules examination;

18 (5) be directly responsible for all employees performing their assigned CNG activities,
19 unless an operations supervisor is fulfilling this requirement; and

20 (6) submit any additional information as deemed necessary by AFS.

21 (c) In addition to NFPA 52 §4.2, an operations supervisor shall:

22 (1) be an owner or employee of the licensee;

23 (2) pass the applicable management-level rules examination; and

24 (3) be directly responsible for actively supervising the CNG activities of the licensee at
25 the designated outlet.

26 (d) For good cause shown, AFS may grant a temporary exception of 30 days or less to the
27 examination requirements for company representatives and operations supervisors. Good cause includes,
28 but is not limited to, death of a sole proprietor or partner. Applicants for temporary exceptions shall
29 comply with the applicable safety requirements and submit to AFS information showing the exception
30 will not be hazardous to the public.

31 ~~[(a) The commission shall designate whether a site is an outlet for the purpose of this chapter.~~
32 ~~Criteria used by the commission in determining the designation of an outlet includes, but is not limited~~
33 ~~to:]~~

34 ~~[(1) distance from other CNG activities operated by the licensee;]~~

35 ~~[(2) whether the operation is a duplicate of the home office operation; and]~~

36 ~~[(3) whether the operation is directly supervised on a routine basis.]~~

37 ~~[(b) A licensee maintaining more than one outlet shall file CNG Form 1001A with LP-Gas~~

Operations designating an operations supervisor (branch manager) at each outlet. The operations supervisor shall pass the management examination as administered by AFRED before commencing or continuing the licensee's operations at the outlet.]

[(c) An operations supervisor (branch manager) may be a company representative of the licensee; however, unless specific approval is granted by LP-Gas Operations, an individual may be designated as an operations supervisor (branch manager) at each outlet.]

[(d) The operations supervisor (branch manager) shall be directly responsible for actively supervising CNG operations of the licensee at the designated outlet.]

§13.73. Employee Transfers.

(a) A licensee or [an] ultimate consumer[~~, or a state agency, county, municipality, school district, or other governmental subdivision~~] shall notify AFS [AFRED] when a certificate holder [previously certified person] is hired, by filing CNG Form 1016A and a nonrefundable \$15 [along with a \$10 filing] fee with AFS within 10 calendar days, or in lieu of CNG Form 1016A, the \$15 fee and a written notice including:[:]

(1) [Notification must include] the employee's name as recorded with the Commission; [on a current driver's license or Texas Department of Public Safety identification card;]

(2) licensee's license number and mailing address;

(3) the employee's mailing address; and

(4) the employee's [employee] social security number or RRC identification number [; name of previous and new licensee-employer, and types of CNG work to be performed by the newly-hired certified employee. A state agency, county, municipality, school district, or other governmental subdivision is exempt from this subsection if such entity chooses not to certify its employees who perform CNG activities].

(2) Upon approval of the documents submitted under subsection (a) of this section, AFS will mail a copy of the certification or registration card to the new employer.

§13.75. Franchise Tax Certification and Assumed Name Certificate.

(a) An applicant for an original or renewal license that is a corporation or limited liability company shall be in good standing with the Comptroller of Public Accounts of the State of Texas. The licensee [An original license applicant] shall provide a copy of the Franchise Tax Statement from the Comptroller of Public Accounts showing "In Good Standing."

(b) All applicants [Any applicant] for license or license renewal shall [must] list [all names] on CNG Form 1001 all names under which CNG related activities requiring licensing are to be conducted. Any company performing CNG activities under an assumed name ("DBA" or "doing business as" name [dba]) shall [must] file with AFS [LP-Gas Operations] copies of the assumed name certificates which are required to be filed with the respective county clerk's office and/or the [Office of the] Secretary of State's

1 Office [State].

2
3 §13.76. Military Fee Exemption.

4 (a) This section applies to military service members, military veterans, or military spouses, as
5 those terms are defined in Texas Occupations Code, Chapter 55.

6 (b) The Commission shall waive license and examination fees for:

7 (1) a military service member or military veteran whose service, training, or education
8 meets the Commission's licensing or certification requirements in this chapter; or

9 (2) a military service member, military veteran, or military spouse who holds a current
10 license issued by another jurisdiction with licensing requirements substantially equivalent to the
11 Commission's licensing requirements in this chapter.

12 (c) To receive a military fee exemption, an applicant for a fee exemption shall file with the
13 Commission CNG Form 1035 and any documentation required by this subsection.

14 (1) A military service member or military veteran whose service, training, or education
15 meets the Commission's requirements for licensing or certification shall submit the following
16 documentation with CNG Form 1035:

17 (A) a copy of any military records showing the applicant's dates of service;

18 (B) a copy of the applicant's driver's license or state-issued identification card;

19 and either

20 (C) any military service history for the applicant showing that CNG activities
21 were performed, including a description of the types of CNG activities that were performed; or

22 (D) any military CNG training or education the applicant received, including a
23 description of the types of CNG activities the training or education covered.

24 (2) A military service member or military veteran who holds a current license issued by
25 another jurisdiction with licensing requirements substantially equivalent to the Commission's
26 requirements in this chapter shall submit the following documentation with CNG Form 1035:

27 (A) a copy of the license issued by the named jurisdiction;

28 (B) a description of the types of CNG activities that were performed under the
29 license;

30 (C) a copy of any military records showing the applicant's dates of service; and

31 (D) a copy of the applicant's driver's license or state-issued identification card.

32 (3) A military spouse who holds a current license issued by another jurisdiction with
33 licensing requirements substantially equivalent to the Commission's requirements in this chapter shall
34 submit the following documentation with CNG Form 1035:

35 (A) a copy of the license issued by the named jurisdiction;

36 (B) a description of the types of CNG activities that were performed under the
37 license;

1 (C) a copy of the applicant's driver's license or state-issued identification card;
2 (D) a copy of the military service member's military records, including dates of
3 service; and
4 (E) a copy of a valid marriage license between the applicant and the individual
5 listed on the military records.

6 (d) The Commission shall review CNG Form 1035 and required documentation to determine if
7 the requirements for the fee exemption have been met and shall notify the applicant of the determination
8 in writing within 30 days.

9 (1) If all requirements have been met, the applicant may submit the application for license
10 or examination and attach a copy of the written notice granting military fee exemption with the
11 application to serve as notice of payment.

12 (2) If the Commission has notified the applicant that the application is incomplete, the
13 applicant shall provide any requested information or documentation within 30 days of the date of the
14 notice.

15 (e) A military service member, military veteran, or military spouse who receives a military fee
16 exemption is not exempt from, and may not use this section to circumvent, the requirements in this
17 chapter to obtain a license or become certified by examination; license or certification renewal
18 requirements; or any transport registration requirements or fees.

19
20 §13.80. Requests for CNG Classes.

21 Requests for Commission staff to conduct a CNG training class for CNG activities under the
22 Commission's jurisdiction shall be submitted to the AFS [~~AFRED~~] training section. The AFS [~~AFRED~~]
23 training section may conduct the requested class at its discretion. The nonrefundable fee for a CNG
24 training class is \$250 if no overnight expenses are incurred by the AFS [~~AFRED~~] training section, or
25 \$500 if overnight expenses are incurred. AFS [~~AFRED~~] may waive the class fee in cases where the
26 Commission recovers the cost of the class from another source, such as a grant.

27
28
29 **SUBCHAPTER D. CNG COMPRESSION, STORAGE, AND DISPENSING SYSTEMS.**

30
31 §13.91. Applicability.

32 This subchapter applies to the design, construction, installation, and operation of cylinders,
33 pressure vessels, compression equipment, buildings and structures, and associated equipment used for
34 storage and dispensing of compressed natural gas (CNG) as an engine fuel in fleet and automatic
35 dispensing operations.

36
37 §13.92. System Component Qualification. **REPEAL**

§13.93. System Protection Requirements ~~[General]~~.

(a) In addition to NFPA 52 §7.3.2, and NFPA 55 §§4.11 and 7.1.9, equipment ~~[Equipment]~~ related to a compression, storage, or dispensing installation, excluding automatic dispensers ~~[and residential fueling facilities]~~, shall be protected from tampering and damage ~~[and the protection shall be maintained in good condition at all times and]~~ in accordance with subsections (b) and (c) of this section ~~[one of the three standards set forth in paragraphs (1) - (3) of this subsection]~~. Automatic dispensers for general public use shall be protected against collision damage in accordance with subsection (d) of this section. These protections shall be maintained in good condition at all times.

(b) ~~[(1)]~~ Fencing at CNG stationary installations shall comply with the following.

(1) ~~[(A)]~~ Fencing material shall be chain link type with wire at least ~~[no smaller than]~~ 12-1/2 American wire gauge in size.

(2) ~~[(B)]~~ Fencing shall be at least ~~[no less than]~~ six feet in height at all points. Fencing may be five feet in height when topped with at least three strands of barbed wire, with the strands ~~[no more than]~~ four inches apart.

(3) ~~[(C)]~~ Uprights ~~[All uprights]~~, braces, and ~~[and/or]~~ cornerposts of the fence shall be composed of noncombustible material ~~[if located within distances for sources of ignition or combustible materials required in Table 1 of §13.94 of this title (relating to Location of Installations) of the enclosed CNG transfer system(s) or CNG cylinder(s)].~~

(4) Uprights, braces, and cornerposts of the fence shall be anchored in concrete a minimum of 12 inches below the ground.

(5) ~~[(D)]~~ All fenced enclosures shall have at least one gate suitable for ingress and egress. All gates shall be locked whenever the area enclosed is unattended.

(6) ~~[(E)]~~ A minimum clearance of two feet shall be maintained between the fencing and the compression equipment, cylinder cascade(s), or container(s), and the entire dispensing system(s).

(7) ~~[(F)]~~ Fencing which is located more than 25 feet from any point of a CNG dispensing system(s), container(s), or compression equipment is designated as perimeter fencing. If a CNG dispensing system(s), cylinder cascade(s), or compression equipment is located inside perimeter fencing and is subject to vehicular traffic, it shall be protected against damage according to the specifications set forth in subsection (c) of this section ~~[paragraph (2) of this subsection]~~.

(8) ~~[(G)]~~ The storage and compression area ~~[cylinder cascade containers, compression equipment, and the entire dispensing system]~~ must be completely enclosed by fencing.

(9) Where fencing is not used to protect the installation, then valve locks, a means of locking the electric control for the compressors, or other suitable means shall be provided to prevent unauthorized withdrawal of CNG.

(c) ~~[(2)]~~ Guardrails at CNG stationary installations shall comply with the following: ~~[-]~~

~~[(A) Where fencing is not used to protect the installation as provided in paragraph (1) of this subsection, then valve locks, a means of locking the electric control for the~~

compressor(s), or other suitable means shall be provided to prevent unauthorized withdrawal of CNG.]

(1) [(B)] Vertical supports for guardrails shall be at least ~~[a minimum of]~~ three-inch Schedule 40 steel pipe, or other material with equal or greater strength. The vertical supports shall ~~[must]~~ be capped on the top or otherwise protected to prevent the entrance of water or debris into the guardpost, ~~[and]~~ anchored in concrete at least 18 inches below the ground, and rise at least ~~[a minimum of 18 inches in concrete, with a minimum height of]~~ 30 inches above the ground. Supports shall be spaced ~~[no more than]~~ four feet apart or less.

(2) [(C)] The top of the horizontal guardrailing shall be secured to the vertical supports at least ~~[a minimum of]~~ 30 inches above the ground. The horizontal guardrailing shall be at least ~~[no less than]~~ three-inch Schedule 40 steel pipe, or other material with equal or greater strength. The horizontal guardrailing shall be capped on the ends or otherwise protected to prevent the entrance of water or debris into the guardpost, and welded or bolted to the vertical supports with bolts of sufficient size and strength to prevent damage to the protected equipment under normal conditions, including the nature of the traffic to which the protected equipment is subjected ~~[displacement of the horizontal guardrailing]~~.

(3) Locations which have a perimeter fence prohibiting public traffic to all containers, cylinder storage areas, and/or compressors shall not be required to have guardrailing if the guardposts are located no more than three feet apart.

(4) [(D)] Openings ~~[No opening]~~ in ~~[the]~~ horizontal guardrailing shall not ~~[may]~~ exceed 36 inches. Only one opening is allowed on each side of the guardrailing. A means of temporarily removing the horizontal guardrailing and/or vertical supports to facilitate the handling of heavy ~~[compression]~~ equipment may be incorporated into the horizontal guardrailing and vertical supports. In no case shall the protection provided by the horizontal guardrailing and vertical supports be decreased.

(5) [(E)] A minimum clearance of 24 inches shall be maintained between the railing and any part of the CNG compression equipment, cylinder cascade(s), container(s), or dispensing equipment.

(6) [(F)] The operating end of the container(s) and any part of the CNG compression equipment, piping, or cylinder cascade(s) which is exposed to collision damage or vehicular traffic shall ~~[must]~~ be protected from this type of damage ~~[by the vehicular traffic]~~. ~~[The protection shall extend at least 24 inches beyond any part of the CNG compression equipment, cylinder cascade(s), container(s), or dispensing equipment which is exposed to or vehicular traffic.]~~

(7) A minimum clearance of 24 inches shall be maintained between the railing and any part of the CNG compression equipment, cylinder cascades, containers, or dispensing equipment.

(d) [(3)] Dispenser protection ~~[Protection]~~. Each ~~[automatic]~~ dispenser shall be secured to a concrete island a minimum of six inches above the normal grade and two inches above the grade of any other fuel dispenser(s). Each ~~[automatic]~~ dispenser shall be protected against collision damage. Support columns or other such protection installed at the approach end(s) of the concrete island shall prevent collision with the ~~[automatic]~~ dispenser. If such protection cannot be provided, then the requirements of subsection (c) of this section ~~[paragraph (2) of this subsection]~~ shall apply.

1 ~~[(4) Fencing and guardrails. A combination of the protection standards authorized by~~
2 ~~paragraphs (1) and (2) of this subsection shall not result in less protection than either standard.]~~

3 ~~(e) [(5)]~~ The provisions of this section notwithstanding, AFS ~~[LP-Gas Operations]~~ may require
4 an installation to be protected in accordance with ~~[subsection (a) of]~~ this section when evidence exists that
5 because of exceptional circumstances, added safeguards are needed to adequately protect the health,
6 safety, and welfare of the general public. If a person owning or operating such an installation disagrees
7 with the determination of AFS ~~[LP-Gas Operations]~~ made under this subsection, then that person may
8 request a public hearing on the matter. However, until a determination is issued subsequent to a hearing
9 on the matter, the subject automatic dispenser(s) shall be either protected in the manner described by AFS
10 ~~[LP-Gas Operations]~~ or removed from CNG service and/or all of the product withdrawn from it.

11 ~~[(b) Control devices shall be designed and installed so that internal or external icing or hydrate~~
12 ~~formation will not cause a malfunction.]~~

13 ~~[(c) Authorized automatic dispenser(s) shall comply with §13.25(k) of this title (relating to~~
14 ~~Filings Required for Stationary CNG Installations). Existing dispensers may be modified, provided the~~
15 ~~modifications include only those components listed as approved by a laboratory as discussed in §13.25(k)~~
16 ~~of this title, and are installed in a workmanlike manner in accordance with industry standards.]~~

17 ~~[(d) The authorized automatic dispenser shall have the following features:]~~

18 ~~[(1) A key, card, or code system shall be used:]~~

19 ~~[(2) All appurtenances, metering equipment, and other related equipment installed on an~~
20 ~~automatic dispenser shall meet all applicable requirements of the rules in this chapter:]~~

21 ~~[(3) All dispensing equipment shall be fabricated of material suitable for CNG, and~~
22 ~~resistant to the action of CNG under service conditions. Pressure containing parts shall be of steel, ductile~~
23 ~~iron, forged steel, brass, or an equivalent material. Aluminum may be used for approved meters. All~~
24 ~~piping shall be Schedule 80, and all pipe fittings shall be forged steel stamped 6,000 psi or greater:]~~

25 ~~[(4) The automatic dispensing system shall incorporate a cutoff valve with an opening~~
26 ~~and closing device which ensures the valve is in a closed position when the dispenser is deactivated:]~~

27 ~~[(5) A device shall be installed in the CNG piping in such a manner that displacement of~~
28 ~~the dispenser will result in the displacement of such piping on the downstream side of the device:]~~

29 ~~[(6) The transfer hose on an automatic dispenser shall incorporate a pull-away device:~~
30 ~~The pull-away device shall be installed so as to separate by a force not greater than 45 pounds when~~
31 ~~applied in any horizontal direction. The device shall stop the flow of CNG in the event of a separation:]~~

32 ~~[(7) All electric installations within the automatic dispenser enclosure and the entire pit or~~
33 ~~open space beneath the dispenser shall comply with the National Electric Code, Class 1, Group D;~~
34 ~~Division 2, except for dispenser components located at least 48 inches above the dispenser base which are~~
35 ~~intrinsically safe according to the National Electric Code:]~~

36 ~~[(8) The fueling connector shall be compatible with the fueling connection of the vehicle~~
37 ~~as specified in §13.34 of this title (relating to Vehicle Fueling Connection). The fueling connector shall~~

1 ~~have the following safety features:]~~

2 ~~[(A) remote vapor discharge;]~~

3 ~~[(B) a manual shut-off valve;]~~

4 (f) At least two monitoring sensors shall be installed at all stationary installations to detect
5 hazardous levels of methane. Sensors shall activate prior to the methane level exceeding 25% of the LFL.
6 If the level exceeds 25% of the LFL, the sensor shall either shut the system down or activate an audible
7 and visual alarm. The number of sensors to be installed shall comply with the area of coverage for each
8 sensor and the size of the installation. The sensors shall be installed and maintained in accordance with
9 the manufacturer's instructions.

10 (g) [(e)] In addition to NFPA §§7.4.3.11, 7.11.52, and 7.14.12, all [AH] CNG storage
11 installations, and installations protected by guardrails only, must comply with the sign and/or lettering
12 requirements of Table 1 of this section.

13 Figure: 16 TAC §13.93(e)

14
15 §13.94. Location of Installations. **REPEAL**

16 §13.95. Installation of Cylinders and Cylinder Appurtenances. **REPEAL**

17 §13.96. Installation of Pressure Relief Devices. **REPEAL**

18 §13.97. Installation of Pressure Regulators. **REPEAL**

19 §13.98. Installation of Pressure Gauges. **REPEAL**

20 §13.99. Installation of Piping and Hoses. **REPEAL**

21 §13.100. Testing. **REPEAL**

22 §13.101. Installation of Emergency Shutdown Equipment. **REPEAL**

23 §13.102. Installation of Electrical Equipment. **REPEAL**

24 §13.103. Stray or Impressed Currents and Bonding. **REPEAL**

25 §13.104. Operation. **REPEAL**

26 §13.105. Fire Protection. **REPEAL**

27
28 §13.106. Maintenance.

29 ~~[(a) Cylinders and their appurtenances, piping systems, compression equipment, controls, vehicle~~
30 ~~fueling hose(s), and devices shall be maintained in proper operating condition at all times.]~~

31 (a) [(b)] While in transit, fueling hose and flexible metal hose on a cargo vehicle to be used in a
32 transfer operation, including their connections, shall be depressurized and protected from wear and injury.

33 (b) [(c)] Pressure relief valves shall be maintained in proper operating condition.

34 (c) [(d)] As a precaution to keep pressure relief devices in reliable operating condition, care shall
35 be taken in the handling or storing of compressed natural gas (CNG) cylinders to avoid damage. Care
36 shall also be exercised to avoid plugging by paint or other dirt accumulation of pressure relief device
37 channels or other parts which could interfere with the functioning of the device.

§13.107. Dispenser Installation ~~[Accuracy]~~.

(a) Dispensers shall comply with §13.37 of this title (relating to Appurtenances and Equipment). Existing dispensers may be modified, provided the modifications include only those components listed as approved by a laboratory as discussed in §13.37 of this title, and are installed in a workmanlike manner in accordance with industry standards.

(b) The dispenser shall have the following features.

(1) A key, card, or code system shall be used.

(2) All appurtenances, metering equipment, and other related equipment installed on a dispenser shall meet all applicable requirements of the rules in this chapter.

(3) All dispensing equipment shall be fabricated of material suitable for CNG, and resistant to the action of CNG under service conditions. Pressure containing parts shall be of steel, ductile iron, forged steel, brass, or an equivalent material. Aluminum may be used for approved meters. All piping shall be Schedule 80, and all pipe fittings shall be forged steel stamped 6,000 psi or greater.

(4) The dispensing system shall incorporate a cutoff valve with an opening and closing device which ensures the valve is in a closed position when the dispenser is deactivated.

~~[(5) A device shall be installed in the CNG piping in such a manner that displacement of the dispenser will result in the displacement of such piping on the downstream side of the device.]~~

(5) ~~[(6)]~~ The transfer hose on a dispenser shall incorporate a pull-away device. ~~[The pull-away device shall be installed so as to separate by a force not greater than 45 pounds when applied in any horizontal direction.]~~ The device shall stop the flow of CNG in the event of a separation.

~~[(7) All electric installations within the dispenser enclosure and the entire pit or open space beneath the dispenser shall comply with the National Electric Code, Class 1, Group D, Division 2, except for dispenser components located at least 48 inches above the dispenser base which are intrinsically safe according to the National Electric Code.]~~

(6) ~~[(8)]~~ The fueling connector shall be compatible with the fueling connection of the vehicle as specified in §13.34 of this title (relating to Vehicle Fueling Connection). The fueling connector shall have the following safety features:

(A) remote vapor discharge;

(B) a manual shut-off valve.

(c) Control devices shall be designed and installed so that internal or external icing or hydrate formation will not cause a malfunction.

(d) CNG dispensing systems utilizing automatic dispensers shall be limited to the filling of permanently mounted fuel containers on CNG-powered vehicles.

(e) Fuel dispenser(s), including automatic dispenser(s), may be operated only by an individual who has been properly trained.

(1) The licensee owning, operating or servicing a CNG fuel dispensing facility shall ensure the safe operation of the system and training of users.

(2) Step-by-step operating instructions provided by the manufacturer shall be posted at or on each automatic dispenser, readily visible to the operator during transfer operations. The instructions shall describe each action necessary to operate the automatic dispenser and include the location of and procedure for activating emergency shutoff equipment.

(3) Each person or entity who operates a fuel dispenser, excluding an automatic dispenser, shall be provided with written instructions and safe operating procedures by the licensee. The person operating the dispenser should be cautioned to study and preserve such instructions and procedures.

(f) Each retail CNG [~~compressed natural gas (CNG)~~] dispenser shall comply with the applicable weights and measures requirements of the Texas Department of Agriculture, relating to dispensing accuracy.

SUBCHAPTER E. ENGINE FUEL SYSTEMS.

§13.131. Applicability.

(a) This subchapter applies to the design, installation, inspection, and testing of compressed natural gas (CNG) fuel supply systems for vehicular internal combustion engines.

(b) Installation of each component of the system shall be made in conformance to the written instructions provided by the manufacturer.

§13.132. System Component Qualification. REPEAL

§13.133. Installation of Fuel Supply Containers [~~Cylinders~~].

~~[(a) Fuel supply cylinders on vehicles other than school buses, mass transit, or other vehicles used in public transportation may be located within, below, or above the driver or passenger compartment, provided all connections to the cylinders are external to, or sealed and vented from those compartments.]~~

(a) ~~[(b)]~~ In addition to NFPA 52 §6.3.2, fuel [Fuel] supply cylinders on school buses, mass transit, and other public transportation vehicles shall not be located above or within the driver or passenger compartment. The motor fuel containers installed on a special transit vehicle may be installed in the passenger compartment, provided all connections to the cylinders are external to, or sealed and vented from those compartments [it complies with subsection (a) of this section].

~~[(c) Each fuel supply cylinder shall be mounted in a location to minimize damage from collision. No part of a cylinder or its appurtenances shall protrude beyond the sides or top of the vehicle at the point where it is installed.]~~

~~[(d) The fuel system shall be installed with as much road clearance as practical, but not less than the minimum road clearance of the vehicle when loaded to its gross vehicle weight rating. This minimum clearance shall be measured from the lowest part of the fuel system.]~~

1 ~~[(e) No portion of a fuel supply cylinder or cylinder appurtenance shall be located ahead of the~~
2 ~~front axle or behind the rear bumper mounting face of a vehicle. Cylinder valves shall be protected from~~
3 ~~physical damage using the vehicle structure, valve protectors, or a suitable metal shield.]~~

4 ~~[(f) Each cylinder bracket shall be secured to the vehicle body, bed, or frame with bolts, lock~~
5 ~~washers and nuts, or self-locking nuts of a size and strength capable of withstanding a static force in any~~
6 ~~direction of eight times the weight of a fully pressurized cylinder. The cylinder bracket shall be designed~~
7 ~~and manufactured by a cylinder manufacturer. Each specific mounting bracket manufactured on or after~~
8 ~~January 1, 1994, must have the manufacturer's name or logo on it in order to properly identify the bracket~~
9 ~~manufacturer. If self-locking nuts are installed, such nuts shall not be reused once they are removed. The~~
10 ~~container mounting brackets shall prevent the container from jarring loose, slipping, or rotating.]~~

11 ~~[(g) Each fuel supply cylinder shall be secured in the mounting brackets by bolts, lock washers~~
12 ~~and nuts, or self-locking nuts of a size and strength capable of withstanding a static force applied in any~~
13 ~~direction eight times the weight of the fully pressurized cylinder. If self-locking nuts are installed, such~~
14 ~~nuts shall not be reused once they are removed.]~~

15 ~~[(h) The cylinder weight shall not be supported by the outlet, service valves, manifolds, or other~~
16 ~~fuel connections.]~~

17 ~~[(i) Fuel supply cylinders located less than eight inches from the exhaust system shall be shielded~~
18 ~~against direct heat.]~~

19 ~~[(j) The mounting system shall minimize fretting corrosion between the cylinder and the~~
20 ~~mounting system by means of rubber insulators or other suitable means.]~~

21 ~~[(k) Fuel supply cylinders shall not be installed so as to adversely affect the driving~~
22 ~~characteristics of the vehicle.]~~

23 ~~[(l) Containers shall be secured to a school bus, mass transit, or special transit vehicle frame (not~~
24 ~~the floor) by container fastenings or mounting brackets described in subsection (f) of this section. The~~
25 ~~fastenings or brackets must be secured to the frame or securely mounted to a supporting structure so as~~
26 ~~not to compromise the strength of that structure (i.e., backing plates or other acceptable means may be~~
27 ~~used to accomplish this purpose). Container(s) which are currently installed on school buses or mass~~
28 ~~transit vehicles by means of strap mounting brackets may continue to be used.]~~

29 ~~(b) [(m)]~~ In addition to NFPA 52 §6.3.3, the ~~[The]~~ motor fuel container(s) installed on a school
30 bus or mass transit vehicle shall be installed on the underside of the vehicle.

31 ~~(c) [(n)]~~ If necessary, a plumbing chamber door shall be provided in the sidewall of the school
32 bus, mass transit, or special transit vehicle to allow easy access for filling or securing the service valve in
33 the event of an emergency. The plumbing chamber door shall be hinged and latched, but not locked.

34
35 §13.134. Installation of Venting Systems. **REPEAL**

36 §13.135. Installation of Piping. **REPEAL**

37 §13.136. Installation of Valves . **REPEAL**

§13.137. Installation of Pressure Gauges. **REPEAL**

§13.138. Installation of Pressure Regulators. **REPEAL**

§13.139. Installation of Fueling Connection. **REPEAL**

§13.140. Labeling. **REPEAL**

§13.141. System Testing. **REPEAL**

§13.142. Maintenance and Repair.

~~[(a) Damaged supply lines shall be replaced, not repaired.]~~

~~[(b) The owner or user, or both, shall maintain all cylinders, cylinder appurtenances, piping systems, venting systems, and other components in a safe condition.]~~

(a) [(c)] As a precaution to keep pressure relief devices in reliable operating condition, care shall be taken in the handling or storing of compressed natural gas (CNG) cylinders to avoid damage. Care shall also be exercised to avoid plugging by paint or other dirt accumulation of pressure relief device channels or other parts which could interfere with the functioning of the device.

(b) If any component is not in safe working order, AFS may require that the vehicle be immediately removed from CNG service and not be operated until the necessary repairs have been made.

~~[(d) No repair or alteration will be permitted on pressure relief devices.]~~

§13.143. Venting of CNG to the Atmosphere.

In addition to NFPA 52 §6.14.1.1, all [A#] venting of CNG shall be done outdoors [only under conditions that will result in rapid dispersion of the product being released. Consideration shall be given to such factors as distance to buildings, terrain, wind direction and velocity, and use of a vent pipe or stack so that a flammable mixture will not reach a point of ignition. A vent pipe or stack shall have the open end suitably protected to prevent entrance of rain, snow, and solid material. Provision shall be made in vertical vent pipes and stacks for drainage. Prior to and during venting of the CNG cylinders, they shall be properly grounded so as to eliminate any possible static electrical charges].

SUBCHAPTER F. RESIDENTIAL FUELING FACILITIES.

§13.181. Applicability.

(a) This subchapter applies to the design, construction, installation, and operation of a residential fueling facility as defined in §13.2 of this title (relating to Definitions).

(b) The provisions of this subchapter shall apply to all residential refueling installations.

§13.182. Scope. **REPEAL**

§13.183. System Component Qualifications.

In addition to NFPA 52 §8.2.1, system ~~[System]~~ components shall comply with the appropriate provisions in Subchapter B of this chapter (relating to General Rules for Compressed Natural Gas (CNG) Equipment Qualifications).

§13.184. General. **REPEAL**

§13.185. Installation. **REPEAL**

§13.186. Outdoor Installations. **REPEAL**

§13.187. Installation of Pressure Relief Valves.

~~[Pressure relief valves shall be vented upwards to a safe area so as not to impinge on buildings, other equipment, or areas that could be occupied by the public (e.g., sidewalks).]~~ In addition to NFPA 52 8.5, the ~~[The]~~ discharge vent line shall be able to withstand the pressure from the relief vapor discharge when the relief valve is in the full open position and shall permit sufficient pressure relief relieving capacity. A spring loaded or counterbalanced rain cap shall be provided on the discharge vent line. The rain cap shall permit the pressure relief valve to operate at sufficient relieving capacity.

§13.188. Installation of Pressure Gauges. **REPEAL**

§13.189. Pressure Regulation. **REPEAL**

§13.190. Piping and Hose.

~~[(a) All piping and hose from the outlet of the compressor shall be supplied as part of the residential fueling facility.]~~

(a) ~~[(b)]~~ The use of hose in an installation is limited to:

(1) a vehicle refueling hose; the maximum length fueling hose is 12 feet and shall be supported;

(2) an inlet connection to compression equipment not exceeding 36 inches. This connector, if used, shall be supplied as part of the residential fueling facility;

(3) a section of metallic hose not exceeding 36 inches in length in a pipeline to provide flexibility where necessary. Each section shall be so installed that it will be protected against mechanical damage and be readily visible for inspection. The manufacturer's identification shall be retained in each section;

(4) hose used for pressure relief device channels may exceed 36 inches.

(b) ~~[(c)]~~ The least possible number of connections shall be used in order to reduce the possibility of leakage in the residential fueling facility.

~~[(d) Bleed connections shall be provided in transfer systems to permit depressurizing the line before disconnection. These bleed connections shall be vented to a safe point of discharge.]~~

1 §13.191. Testing. **REPEAL**

2 §13.192. Installation of Emergency Shutdown Equipment. **REPEAL**

3 §13.193. Operation. **REPEAL**

4 §13.194. Maintenance and Inspection. **REPEAL**

5
6
7 **SUBCHAPTER G. ADOPTION BY REFERENCE OF NFPA 52 (VEHICULAR GASEOUS FUEL**
8 **SYSTEMS CODE.**

9
10 §13.201. Adoption by Reference of NFPA 52.

11 (a) Except as modified in this subchapter, the Commission adopts by specific reference the
12 provisions established by the National Fire Protection Association in its 2013 edition of the Vehicular
13 Gaseous Fuel Systems Code, commonly referred to as NFPA 52 or Pamphlet 52. Nothing in this section
14 or subchapter shall prevent the Commission, after notice, from adopting additional requirements, whether
15 more or less stringent, for individual situations to protect the health, safety, and welfare of the general
16 public. Any documents or parts of documents incorporated by reference into these rules shall be a part of
17 these rules as if set out in full.

18 (b) The Commission also adopts by reference all other NFPA publications or portions of those
19 publications referenced in NFPA 52 which apply to CNG activities only. The pamphlets adopted by
20 reference in NFPA 52 are:

21 (1) NFPA 30A, Code for Motor Fuel Dispensing Facilities and Repair Garages, 2012
22 edition;

23 (2) NFPA 37, Standard for the Installation and Use of Stationary Combustion Engines
24 and Gas Turbines, 2010 edition;

25 (3) NFPA 51B, Standard for Fire Prevention During Welding, Cutting, and Other Hot
26 Work, 2009 edition;

27 (4) NFPA 54, National Fuel Gas Code, 2012 edition;

28 (5) NFPA 59A, Standard for the Production, Storage, and Handling of Liquefied Natural
29 Gas (LNG), 2013 edition;

30 (6) NFPA 70, National Electrical Code, 2014 edition;

31 (7) NFPA 80, Standard for Fire Doors and Other Opening Protectives, 2013 edition;

32 (8) NFPA 101, Life Safety Code, 2012 edition;

33 (9) NFPA 259, Standard Test Method for Potential Heat of Building Materials, 2013
34 edition;

35 (10) NFPA 302, Fire Protection Standard for Pleasure and Commercial Motor Craft,
36 2010 edition;

37 (11) NFPA 303, Fire Protection Standard for Marinas and Boatyards, 2011 edition;

1 (12) NFPA 496, Standard for Purged and Pressurized Enclosures for Electrical
2 Equipment, 2013 edition; and

3 (13) NFPA 5000, Building Construction and Safety Code, 2012 edition.

4
5 §13.202. Clarification of Certain Terms Used in NFPA 52.

6 (a) Authority having jurisdiction. As pertains to CNG activities in Texas, the phrase "authority
7 having jurisdiction" defined in NFPA 52 §3.2 and referenced in other NFPA publications shall be the
8 Railroad Commission of Texas or any of its divisions or employees, except with respect to the definitions
9 of "approved," "labeled," and "listed" in NFPA 52 §3.2.

10 (b) Engineering. The Commission does not adopt language in any NFPA 52 rule such as "sound
11 engineering practice," "accepted engineering practice," "good engineering practice," "sound engineering
12 design," or similar language that might be understood to mean or refer to the practice of engineering. The
13 omission of a specific NFPA 52 rule or other NFPA pamphlets containing such language from the
14 exceptions listed in this subchapter is inadvertent and shall not be read or understood as requiring,
15 allowing, or approving the unlicensed practice of engineering or any other professional occupation
16 requiring a license.

17
18 §13.203. Sections in NFPA 52 Adopted with Additional Requirements or Not Adopted.

19 Table 1 of this section lists certain NFPA 52 sections which the Commission adopts with
20 additional requirements or does not adopt in order to address the Commission's rules in this chapter.

21 Figure: 16 TAC §13.203

22
23
24 **SUBCHAPTER H. ADOPTION BY REFERENCE OF NFPA 55 (COMPRESSED GASES AND**
25 **CRYOGENIC FLUIDS CODE).**

26
27 §13.301. Adoption by Reference of NFPA 55.

28 (a) Except as modified in this subchapter, the Commission adopts by specific reference the
29 provisions established by the National Fire Protection Association in its 2013 edition of the Compressed
30 Gases and Cryogenic Fluids Code, commonly referred to as NFPA 55 or Pamphlet 55. Nothing in this
31 section or subchapter shall prevent the Commission, after notice, from adopting additional requirements,
32 whether more or less stringent, for individual situations to protect the health, safety, and welfare of the
33 general public. Any documents or parts of documents incorporated by reference into these rules shall be a
34 part of these rules as if set out in full.

35 (b) The Commission also adopts by reference all other NFPA publications or portions of those
36 publications referenced in NFPA 55 which apply to CNG activities only. The pamphlets adopted by
37 reference in NFPA 55 are:

- (1) NFPA 1, Fires Code, 2012 edition;
- (2) NFPA 2, Hydrogen Technologies Code, 2011 edition;
- (3) NFPA 10, Standard for Portable Fire Extinguishers, 2010 edition;
- (4) NFPA 13, Standard for the Installation of Sprinkler Systems, 2013 edition;
- (5) NFPA 16, Standard for the Installation of Foam-Water Sprinkler and Foam-Water Spray Systems, 2011 edition;
- (6) NFPA 30, Flammable and Combustible Liquids Code, 2012 edition;
- (7) NFPA 31, Standard for the Installation of Oil-Burning Equipment, 2011 edition;
- (8) NFPA 45, Standard on Fire Protection for Laboratories Using Chemicals, 2011 edition;
- (9) NFPA 51, Standard for the Design and Installation of Oxygen-Fuel Gas Systems for Welding, Cutting, and Allied Processes, 2013 edition;
- (10) NFPA 52, Vehicular Gaseous Fuel Systems Code, 2010 edition;
- (11) NFPA 54, National Fuel Gas Code, 2012 edition;
- (12) NFPA 58, Liquefied Petroleum Gas Code, 2011 edition;
- (13) NFPA 59A, Standard for the Production, Storage, and Handling of Liquefied Natural Gas (LNG), 2013 edition;
- (14) NFPA 68, Standard on Explosion Protection by Deflagration Venting, 2007 edition;
- (15) NFPA 69, Standard on Explosion Prevention Systems, 2008 edition;
- (16) NFPA 70, National Electrical Code, 2011 edition;
- (17) NFPA 72, National Fire Alarm and Signaling Code, 2013 edition;
- (18) NFPA 79, Electrical Standard for Industrial Machinery, 2012 edition;
- (19) NFPA 80, Standard for Fire Doors and Other Opening Protectives, 2013 edition;
- (20) NFPA 90A, Standard for the Installation of Air-Conditioning and Ventilating Systems, 2012 edition;
- (21) NFPA 99, Health Care Facilities Code, 2012 edition;
- (22) NFPA 101, Life Safety Code, 2012 edition;
- (23) NFPA 110, Standard for Emergency and Standby Power Systems, 2013 edition;
- (24) NFPA 259, Standard Test Method for Potential Heat of Building Materials, 2008 edition;
- (25) NFPA 496, Standard for Purged and Pressurized Enclosures for Electrical Equipment, 2008 edition;
- (26) NFPA 505, Fire Safety Standard for Powered Industrial Trucks Including Type Designations, Areas of Use, Conversions, Maintenance, and Operations, 2011 edition;
- (27) NFPA 704, Standard System for the Identification of the Hazards of Materials for Emergency Response, 2012 edition;
- (28) NFPA 801, Standard for Fire Protection for Facilities Handling Radioactive

1 Materials, 2008 edition; and

2 (29) NFPA 853, Standard for the Installation of Stationary Fuel Cell Power Systems,
3 2010 edition.

4
5 §13.302. Clarification of Certain Terms Used in NFPA 55.

6 (a) Authority having jurisdiction. As pertains to CNG activities in Texas, the phrase "authority
7 having jurisdiction" defined in NFPA 55 §3.2.2 and referenced in other NFPA publications shall be the
8 Railroad Commission of Texas or any of its divisions or employees, except with respect to the definitions
9 of "approved," "labeled," and "listed" in NFPA 52 §§3.2.4 and 3.2.5, respectively.

10 (b) Engineering. The Commission does not adopt language in any NFPA 55 rule such as "sound
11 engineering practice," "accepted engineering practice," "good engineering practice," "sound engineering
12 design," or similar language that might be understood to mean or refer to the practice of engineering. The
13 omission of a specific NFPA 54 rule or other NFPA pamphlets containing such language from the
14 exceptions listed in this subchapter is inadvertent and shall not be read or understood as requiring,
15 allowing, or approving the unlicensed practice of engineering or any other professional occupation
16 requiring a license.

17
18 §13.303. Sections in NFPA 55 Adopted with Additional Requirements or Not Adopted.

19 Table 1 of this section lists certain NFPA 55 sections which the Commission adopts with
20 additional requirements or does not adopt in order to address the Commission's rules in this chapter.

21 Figure: 16 TAC §13.303

Figure: 16 TAC §13.15(a)(5) [(e)]

Table 1. CNG Penalty Schedule Guidelines

CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range
Tex. Nat. Res. Code, Chapter 116	Any violation of Chapter 116, Texas Natural Resources Code	\$1,000-2,500
16 TAC §13.22	Odorization	\$1,000-2,500
16 TAC §13.24	Filing required for school and transit vehicles	\$100-500
16 TAC §13.25	Filings for stationary installations Form 1501: 1-5 occurrences	\$100
16 TAC §13.25	Filings for stationary installations Form 1501: 6-10 occurrences	\$200
16 TAC §13.25	Filings for stationary installations Form 1501: >10 occurrences	\$500
16 TAC §13.25	Filings for stationary installations Form 1500	\$1,000
16 TAC §13.26	Construction of cylinders and pressure vessels	\$1,000
16 TAC §13.27	Pressure relief devices	\$1,000
16 TAC §13.28	Pressure gauges	\$250
16 TAC §13.29	Pressure regulators	\$500-1,000
16 TAC §13.30	Piping	\$500-1,000
16 TAC §13.31	Valves	\$500-1,000
16 TAC §13.32	Hose and hose connections	\$500-1,000
16 TAC §13.33	Compression equipment	\$500-1,500
16 TAC §13.34	Vehicle fuel connection	\$500
16 TAC §13.36	CNG incident/accident report	\$1,000
16 TAC §13.38	Removal from CNG service	\$1,000-2,500
16 TAC §13.39	Filing unapproved cylinders	\$500-1,500
16 TAC §13.40	Manufacturer's nameplates and ASME markings	\$1,000
16 TAC §13.61	License and related fees; lapse 1-2 months	\$500
16 TAC §13.61	License and related fees; lapse 3-4 months	\$750
16 TAC §13.61	License and related fees; lapse 5-6 months	\$1,000
16 TAC §13.61	License and related fees; lapse >6 months	\$1,000-2,500
16 TAC §13.61	Failure to register or renew an outlet	\$100 plus \$10 for each outlet
16 TAC §13.62	Insurance requirements	\$1,000
16 TAC §13.67	Change in ownership	\$250
16 TAC §13.68	Dealership name change	\$250
16 TAC §13.69	Registration and transfer of transports	\$500-1,500 plus \$300 for each transport per year operated
16 TAC §13.70	Examination requirements and renewals	\$250
16 TAC §13.72	Operations supervisor	\$500
16 TAC §13.73	Employee transfers	\$100
16 TAC §13.93	General requirements	\$100-750
16 TAC §13.94	Locations of installations	\$500-1,000
16 TAC §13.95	Installation of cylinders and appurtenances	\$100-750
16 TAC §13.96	Installation of pressure relief devices	\$1,000
16 TAC §13.97	Installation of pressure regulators	\$500-1,000
16 TAC §13.98	Installation of pressure gauges	\$250-1,000
16 TAC §13.99	Installation of piping and hoses	\$250-1,000

CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range
16 TAC §13.100	Testing	\$1,000
16 TAC §13.101	Emergency shutdown equipment	\$1,000
16 TAC §13.102	Electrical equipment	\$100-500
16 TAC §13.103	Stray or impressed currents and bonding	\$100-500
16 TAC §13.104	Operations	\$500-1,500
16 TAC §13.105	Fire protection	\$100-250
16 TAC §13.106	Maintenance	\$250-1,000
16 TAC §13.107	Dispenser accuracy	\$250
16 TAC §13.132	System component qualification	\$500
16 TAC §13.133	Installation of fuel supply cylinders	\$250-1,500
16 TAC §13.134	Installation of venting systems	\$250
16 TAC §13.135	Installation of piping	\$250-500
16 TAC §13.136	Installation of valves	\$250-500
16 TAC §13.137	Installation of pressure gauges	\$100-500
16 TAC §13.138	Installation of pressure regulators	\$500-1,000
16 TAC §13.139	Installation of fueling connection	\$500
16 TAC §13.140	Labeling	\$100
16 TAC §13.141	System testing	\$1,000
16 TAC §13.142	Maintenance and repair	\$250-1,000
16 TAC §13.143	Venting of CNG to atmosphere	\$250-750
16 TAC §13.184	General requirements	\$750
16 TAC §13.185	Installation	\$500-1,000
16 TAC §13.186	Outdoor installations	\$250
16 TAC §13.187	Installation of pressure relief valves	\$100-500
16 TAC §13.189	Pressure regulation	\$250-750
16 TAC §13.190	Piping and hose	\$250-1,000
16 TAC §13.191	Testing	\$1,000
16 TAC §13.192	Installation of emergency shutdown equipment	\$250-1,000
16 TAC §13.193	Operation	\$500-1,000
16 TAC §13.194	Maintenance and inspection	\$250-1,000
<u>16 TAC §13.201</u>	<u>NFPA 52 adopted by reference</u>	<u>\$250-\$2,500</u>
<u>16 TAC §13.301</u>	<u>NFPA 55 adopted by reference</u>	<u>\$250-\$2,500</u>

Figure: 16 TAC §13.15(a)(6) (f) [NO OTHER CHANGES IN TABLE]

Table 2. CNG Penalty Enhancements

For violations that involve:	Threatened or actual safety hazard	Severity of violation or culpability of person charged
Death or personal injury	\$5,000 to \$20,000	
Taking facility out of service	\$1,000 to \$5,000	
Gas ignition or release requiring emergency response	\$1,000 to \$15,000	
Damage to CNG installation or vehicle	\$1,000 to \$5,000	
Property damage exceeding \$5,000	\$1,000 to \$15,000	
Rerouting of traffic or evacuation of premises	\$1,000 to \$5,000	
Time out of compliance		\$100 to \$2,000 for each month
Reckless conduct of person charged		Up to double the total penalty
Intentional conduct of person charged		Up to triple the total penalty

Figure 1: 16 TAC §13.15(a)(7) (g) [NO OTHER CHANGES IN TABLE]

Table 3. Penalty enhancements based on number of prior violations within seven years

Number of violations in the seven years prior to action	Enhancement amount
One	\$1,000
Two	\$2,000
Three	\$3,000
Four	\$4,000
Five or more	\$5,000

Figure 2: 16 TAC §13.15(a)(7) (g) [NO OTHER CHANGES IN TABLE]

Table 4. Penalty enhancements based on total amount of prior penalties within seven years

Total administrative penalties assessed in the seven years prior to action	Enhancement amount
Less than \$10,000	\$1,000
Between \$10,000 and \$25,000	\$2,500
Between \$25,000 and \$50,000	\$5,000
Between \$50,000 and \$100,000	\$10,000
Over \$100,000	10% of total amount

Figure: 16 TAC §13.15(a)(11) [(k)]

Table 5. CNG Penalty Worksheet

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
1	Tex. Nat. Res. Code, Chapter 116	Any violation of Chapter 116, Texas Natural Resources Code	\$1,000-2,500	\$
2	16 TAC §13.22	Odorization	\$1,000-2,500	\$
3	16 TAC §13.24	Filing required for school and transit vehicles	\$100-500	\$
4	16 TAC §13.25	Filings for stationary installations Form 1501: 1-5 occurrences	\$100	\$
5	16 TAC §13.25	Filings for stationary installations Form 1501: 6-10 occurrences	\$200	\$
6	16 TAC §13.25	Filings for stationary installations Form 1501: >10 occurrences	\$500	\$
7	16 TAC §13.25	Filings for stationary installations Form 1500	\$1,000	\$
8	16 TAC §13.26	Construction of cylinders and pressure vessels	\$1,000	\$
9	16 TAC §13.27	Pressure relief devices	\$1,000	\$
10	16 TAC §13.28	Pressure gauges	\$250	\$
11	16 TAC §13.29	Pressure regulators	\$500-1,000	\$
12	16 TAC §13.30	Piping	\$500-1,000	\$
13	16 TAC §13.31	Valves	\$500-1,000	\$
14	16 TAC §13.32	Hose and hose connections	\$500-1,000	\$
15	16 TAC §13.33	Compression equipment	\$500-1,500	\$
8	16 TAC §13.34	Vehicle fuel connection	\$500	\$
9	16 TAC §13.36	CNG incident/accident report	\$1,000	\$
10	16 TAC §13.38	Removal from CNG service	\$1,000-2,500	\$
11	16 TAC §13.39	Filing unapproved cylinders	\$500-1,500	\$
12	16 TAC §13.40	Manufacturer's nameplates and ASME markings	\$1,000	\$
13	16 TAC §13.61	License and related fees; lapse 1-2 months	\$500	\$
14	16 TAC §13.61	License and related fees; lapse 3-4 months	\$750	\$
15	16 TAC §13.61	License and related fees; lapse 5-6 months	\$1,000	\$
16	16 TAC §13.61	License and related fees; lapse more than 6 months	\$1,000-2,500	\$
17	16 TAC §13.61	Failure to register or renew an outlet	\$100 plus \$10 for each outlet	\$
18	16 TAC §13.62	Insurance requirements	\$1,000	\$
19	16 TAC §13.67	Change in ownership	\$250	\$
27	16 TAC §13.68	Dealership name change	\$250	\$
20	16 TAC §13.69	Registration and transfer of transports	\$500-1,500 plus \$300 for each transport per year operated	\$
21	16 TAC §13.70	Examination requirements and renewals	\$250	\$
22	16 TAC §13.72	Operations supervisor	\$500	\$
23	16 TAC §13.73	Employee transfers	\$100	\$
24	16 TAC §13.93	General requirements	\$100-750	\$
33	16 TAC §13.94	Locations of installations	\$500-1,000	\$
34	16 TAC §13.95	Installation of cylinders and appurtenances	\$100-750	\$

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
35	16 TAC §13.96	Installation of pressure relief devices	\$1,000	\$
36	16 TAC §13.97	Installation of pressure regulators	\$500-1,000	\$
37	16 TAC §13.98	Installation of pressure gauges	\$250-1,000	\$
38	16 TAC §13.99	Installation of piping and hoses	\$250-1,000	\$
39	16 TAC §13.100	Testing	\$1,000	\$
40	16 TAC §13.101	Emergency shutdown equipment	\$1,000	\$
41	16 TAC §13.102	Electrical equipment	\$100-500	\$
42	16 TAC §13.103	Stray or impressed currents and bonding	\$100-500	\$
43	16 TAC §13.104	Operations	\$500-1,500	\$
44	16 TAC §13.105	Fire protection	\$100-250	\$
25	16 TAC §13.106	Maintenance	\$250-1,000	\$
26	16 TAC §13.107	Dispenser accuracy	\$250	\$
47	16 TAC §13.132	System component qualification	\$500	\$
27	16 TAC §13.133	Installation of fuel supply cylinders	\$250-1,500	\$
28	16 TAC §13.134	Installation of venting systems	\$250	\$
50	16 TAC §13.135	Installation of piping	\$250-500	\$
51	16 TAC §13.136	Installation of valves	\$250-500	\$
52	16 TAC §13.137	Installation of pressure gauges	\$100-500	\$
53	16 TAC §13.138	Installation of pressure regulators	\$500-1,000	\$
54	16 TAC §13.139	Installation of fueling connection	\$500	\$
55	16 TAC §13.140	Labeling	\$100	\$
56	16 TAC §13.141	System testing	\$1,000	\$
29	16 TAC §13.142	Maintenance and repair	\$250-1,000	\$
30	16 TAC §13.143	Venting of CNG to atmosphere	\$250-750	\$
59	16 TAC §13.184	General requirements	\$750	\$
31	16 TAC §13.185	Installation	\$500-1,000	\$
32	16 TAC §13.186	Outdoor installations	\$250	\$
33	16 TAC §13.187	Installation of pressure relief valves	\$100-500	\$
34	16 TAC §13.189	Pressure regulation	\$250-750	\$
35	16 TAC §13.190	Piping and hose	\$250-1,000	\$
36	16 TAC §13.191	Testing	\$1,000	\$
37	16 TAC §13.192	Installation of emergency shutdown equipment	\$250-1,000	\$
38	16 TAC §13.193	Operation	\$500-1,000	\$
39	16 TAC §13.194	Maintenance and inspection	\$250-1,000	\$
40	<u>16 TAC §13.201</u>	<u>NFPA 52 adopted by reference</u>	<u>\$250-\$2,500</u>	<u>\$</u>
41	<u>16 TAC §13.301</u>	<u>NFPA 55 adopted by reference</u>	<u>\$250-\$2,500</u>	<u>\$</u>
42	Subtotal of typical penalty amounts from Table 1 (lines 1-41, inclusive)			\$
43	Reduction for settlement before hearing: up to 50% of line 42 amt.		_____ %	\$
44	Subtotal: amount shown on line 42 less applicable settlement reduction on line 43			\$
Penalty enhancement amounts for threatened or actual safety hazard from Table 2				
45	Death or personal injury		\$5,000-20,000	\$
46	Taking facility out of service		\$1,000-5,000	\$
47	Gas ignition or release requiring emergency response		\$1,000-15,000	\$
48	Damage to CNG installation or vehicle		\$1,000-5,000	\$
49	Property damage exceeding \$5,000		\$1,000-15,000	\$
50	Rerouting of traffic or evacuation of premises		\$1,000-5,000	\$

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
Penalty enhancement for severity of violation from Table 2				
51	Time out of compliance		\$100-\$2,000/mo.	\$
52	Subtotal: amount shown on line 44 plus all amounts on lines 45-51, inclusive			\$
Penalty enhancements for culpability of person charged from Table 2				
53	Reckless conduct of person charged		Up to double line 79	\$
54	Intentional conduct of person charged		Up to triple line 79	\$
Penalty enhancements for number of prior violations within past seven years from Table 3				
55	One		\$1,000	\$
56	Two		\$2,000	\$
57	Three		\$3,000	\$
58	Four		\$4,000	\$
59	Five or more		\$5,000	\$
Penalty enhancements for amount of penalties within past seven years from Table 4				
60	Less than \$10,000		\$1,000	\$
61	Between \$10,000 and \$25,000		\$2,500	\$
62	Between \$25,000 and \$50,000		\$5,000	\$
63	Between \$50,000 and \$100,000		\$10,000	\$
64	Over \$100,000		10% of total amt.	\$
65	Subtotal: Line 52 amt. plus amt. on line 53 and/or 54 plus the amt. shown on any line from 55-64, inclusive			\$
66	Reduction for demonstrated good faith of person charged			\$
67	TOTAL PENALTY AMOUNT: amount on line 65 less any amount shown on line 66			\$

Figure: 16 TAC §13.62(a)


§13.62. INSURANCE REQUIREMENTS.

Category of License	Type of Coverage	Form Required	Statement in Lieu of Required Insurance Filing
All	Workers' Compensation, including Employer's Liability	CNG Form 1996A; the AcordTM form; or any other form prepared and signed by the insurance carrier containing all required information	CNG Form 1996B
All	Alternative to Workers' Compensation including Employer's Liability, or Accident/Health insurance coverage: Medical expenses in the principal amount of at least \$150,000; accidental death benefits in the principal amount of at least \$100,000; loss of limb or sight on a scale based on principal amount of at least \$100,000; loss of income based on at least 60% of employee's pre-injury income for at least 52 weeks, subject to a maximum weekly wage calculated annually by the Texas Workforce Commission	CNG Form 1996A; the AcordTM form; or any other form prepared and signed by the insurance carrier containing all required information	N/A
2, 5, 6	General liability coverage including: premises and operations in an amount not less than \$25,000 per occurrence and \$50,000 aggregate	CNG Form 1998A; the AcordTM form; or any other form prepared and signed by the insurance carrier containing all required information	CNG Form 1998B
1, 3, 4	Completed operations and products liability insurance in an amount not less than \$300,000 aggregate	CNG Form 1998A; the AcordTM form; or any other form prepared and signed by the insurance carrier containing all required information	CNG Form 1998B
3 and Ultimate Consumer	Motor vehicle coverage: minimum \$500,000 combined single limit for bodily injuries to or death of all persons injured or killed in any one accident, and loss or damage to property of others in any one accident	CNG Form 1997A; the AcordTM form; or any other form prepared and signed by the insurance carrier containing all required information	CNG Form 1997B

Figure: 16 TAC §13.93(e)

§13.93 SIGNS/LETTERING

Requirements	Automatic Dispenser/ Refueling Area ³ Area ⁵	Fueling Connection Receptacle CNG Fueled Vehicle	Engine Compartment of CNG Fueled Vehicle	Emergency Shutdown Devices	Compression Area ³ Area ⁵
1. Signs with Red Letters at Least 2 Inches High, on White Background - NO SMOKING ¹	■				■
2. Sign with Red Letters at Least 4 Inches High, on White Background: WARNING-FLAMMABLE GAS; Black letters: NO TRESPASSING					■
3. Letters at Least 2 Inches High: NATURAL GAS	■ ⁵ ■ ⁷				■
4. CNG FUELED VEHICLE		■ ²	■		
5. System Working Pressure _____		■ ²	■		
6. Name of Licensee and License Number			■		
7. Cylinder Retest Date(s) or Expiration Date(s) ³		■ ²	■		
8. Total Cylinder Water Volume in Gallons			■		
4. Sign with White Letters at Least 2 Inches High on Red Background: CNG EMERGENCY VALVE; PUSH				■ ² ■ ⁴	
5. Letters at Least 4 Inches High: Name of Licensee Operating Installation	■ ⁴ ■ ⁶				■ ⁴ ■ ⁶

6. Letters at least 2" high on a background of contrasting color, readily visible to the public, stating: 24-Hour Emergency Number _____ (not required at non-licensee installations)	 6				
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NOTES TO §13.93, TABLE 1

1. Shall ~~[Location of sign shall be determined by on-site conditions, but shall]~~ be visible from each point of transfer.

~~[2. On durable label, readily visible. Information in items 4, 5, 6, 7, 8 may be combined on one label.]~~

~~[3. When applicable:]~~

2. Devices shall be distinctly marked for easy recognition with permanently affixed, legible sign.

3. Does not apply to residential/refueling facility.

4. One sign may be installed at either location.

5. On each operating side of dispenser.

6. Any 24-hour emergency telephone numbers shall be monitored at all times and be answered by a person who is knowledgeable of the hazards of CNG and who has comprehensive CNG emergency response and incident information, or has immediate access to a person who possesses such knowledge and information. A telephone number that requires a call back (such as an answering service, answering machine, or beeper device) does not meet the requirements of this section.

Figure: 16 TAC §13.203 [NEW TABLE]

NFPA 52 Sections with Additional Requirements or Not Adopted

<u>Affected NFPA 52 Section</u>	<u>Specific Action</u>	<u>Commission Rule(s) to be Followed or Other Comments</u>
<u>1.4.1</u>	<u>additional requirement</u>	<u>See Commission rule §13.37(b), Appurtenances and Equipment.</u>
<u>1.4.1.2</u>	<u>additional requirement</u>	<u>See Commission rule §13.37(c), Appurtenances and Equipment.</u>
<u>4.1</u>	<u>additional requirement</u>	<u>See Commission rule §13.70, Examination Requirements and Renewals.</u>
<u>4.2</u>	<u>additional requirement</u>	<u>See Commission rule §§13.70(h), Examination Requirements and Renewals and 13.72, Designation and Responsibilities of Company Representatives and Operations Supervisors.</u>
<u>4.3</u>	<u>additional requirement</u>	<u>See Commission rule §13.25, Filings Required for Stationary Installations.</u>
<u>5.2.1.1</u>	<u>additional requirement</u>	<u>See Commission rule §13.22(a), Odorization.</u>
<u>5.3.1</u>	<u>additional requirement</u>	<u>See Commission rule §13.37(a), Appurtenances and Equipment.</u>
<u>6.3.2</u>	<u>additional requirement</u>	<u>See Commission rule §13.133(a), Installation of Fuel Supply Containers.</u>
<u>6.3.3</u>	<u>additional requirement</u>	<u>See Commission rule §13.133(b), Installation of Fuel Supply Containers.</u>
<u>6.9.3</u>	<u>additional requirement</u>	<u>See Commission rule §13.34, Vehicle Fuel Connection.</u>
<u>6.13.2</u>	<u>additional requirement</u>	<u>See Commission rule §13.23, Maintenance.</u>
<u>6.14.1.1</u>	<u>additional requirement</u>	<u>See Commission rule §13.143, Venting of CNG to the Atmosphere.</u>
<u>7.3.1</u>	<u>additional requirement</u>	<u>See Commission rule §13.25, Filings Required for Stationary CNG Installations.</u>
<u>7.3.2</u>	<u>additional requirement</u>	<u>See Commission rule §13.93, System Protection Requirements.</u>
<u>7.4.3.11</u>	<u>additional requirement</u>	<u>See Commission rule §13.93(g), System Protection Requirements.</u>
<u>7.11.5.2</u>	<u>additional requirement</u>	<u>See Commission rule §13.93(g), System Protection Requirements.</u>
<u>7.14.12</u>	<u>additional requirement</u>	<u>See Commission rule §13.93(g), System Protection Requirements.</u>

<u>8.2.1</u>	<u>additional requirement</u>	<u>See Commission rule §13.183, System Component Qualifications.</u>
<u>8.5</u>	<u>additional requirement</u>	<u>See Commission rule §13.187, Installation of Pressure Relief Valves.</u>
<u>8.8.3</u>	<u>not adopted</u>	<u>See Commission rule §13.190(a), Piping and Hose.</u>
<u>Chapter 9</u>	<u>not adopted</u>	<u>NFPA 52 Chapter 9 does not apply to CNG installations.</u>
<u>Chapter 10</u>	<u>not adopted</u>	<u>NFPA 52 Chapter 10 does not apply to CNG installations.</u>
<u>Chapter 12</u>	<u>not adopted</u>	<u>NFPA 52 Chapter 12 does not apply to CNG installations.</u>
<u>Chapter 13</u>	<u>not adopted</u>	<u>NFPA 52 Chapter 13 does not apply to CNG installations.</u>
<u>Chapter 14</u>	<u>not adopted</u>	<u>Commission rules in Chapter 13 do not cover marine installations.</u>

Figure: 16 TAC §13.303 [NEW TABLE]

NFPA 55 Sections with Additional Requirements or Not Adopted

<u>Affected NFPA 55 Section</u>	<u>Specific Action</u>	<u>Commission Rule(s) to be Followed or Other Comments</u>
<u>4.1</u>	<u>additional requirement</u>	See Commission rule §13.25, Filings Required for Stationary CNG Installations.
<u>4.7</u>	<u>additional requirement</u>	See Commission rule §13.70, Examination Requirements and Renewals.
<u>4.11</u>	<u>additional requirement</u>	See Commission rule §13.93, System Protection Requirements.
<u>7.1.9</u>	<u>additional requirement</u>	See Commission rule §13.93, System Protection Requirements.
<u>Chapters 8 through 15</u>	<u>not adopted</u>	